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NATO Approaches A Pivotal Moment

London Summit Expected to Shape Post-Cold War Pattern of Alliance

By Joseph Fitchett
International Herald Tribune

PARIS — NATO leaders expect their summit meeting this week to be a watershed in their effort to create new security systems in the post-Cold War era, a pivotal moment after months in which the United States and its European allies have been recasting key policies.

In their meeting in London on Thursday and Friday, the goal is to tilt the West's conception of security away from military force, now that confrontation is subsiding. Instead, Western leaders want to find ways to rely more on political and economic tools, better suited to maintaining stability in a newly complex world.

For NATO leaders, success will require what one official called "a hat-trick" — a sports term meaning a trio of successes — that would fold domestic political pressures into a diplomatic package promising stability in Europe after the radical changes of recent months.

The three challenges:

- The alliance must send a strong, reassuring signal to Soviet leaders that it poses no military threat to Moscow and has adopted a more constructive view of the possibilities for cooperating on mutual security if Moscow accepts a unified Germany in NATO. But that German priority has to be reconciled with other allies' concern to see NATO remain a working alliance and head off any German tendency to seek the departure of all U.S. and other Western forces.
- In seeking to persuade public opinion that NATO is changing, alliance leaders must find a formula that recognizes the larger future role of economic bodies such as the European Community and the 35-nation Conference on Security and Cooperation in Europe. But most Western leaders want NATO to continue as the core of security cooperation among the 16 allied nations, so NATO needs to adapt its military system to preserve essentials.
- The United States has to orchestrate basic rearrangements in Western military and political links in ways that protect the U.S. role in Europe against mounting congressional pressure for drastic cuts in U.S. military strength in Europe and elsewhere. Bush administration officials acknowledge that they need a strong allied consensus on new security arrangements to help them resist pullout calls.

Calling the NATO gathering "a turning point" after the diplomatic uncertainty in the eight months since the crumbling of the Berlin Wall, a British official said that

NEWS ANALYSIS

leaders wanted to show via the summit meeting that they can respond flexibly to Soviet changes.

The particular importance of this NATO meeting, several Western officials said, is the way in which it will be read by the Soviet Union in the context of German reunification.

NATO's message to Moscow, they said, will be that the West views the Soviet Union in a changed light — no longer singled out as the main adversary, but as a potential, though still untested, participant in the search for mutual stability.

To elicit Soviet cooperation, NATO plans to announce changes in its nuclear strategy, including cuts in the number of its battlefield nuclear weapons sited close to Eastern Europe. "With the hair-trigger conditions disappearing, we can rely on fewer nuclear weapons, further back," a U.S. official said.

While highlighting the proposed Western move away from reliance on nuclear weapons, NATO plans to preserve its option of using nuclear weapons against an enemy rather than be defeated by forces armed with conventional weapons.

West German officials have suggested that NATO drop the term "nuclear deterrence" because, they say, it implies hostility to Moscow. While the Paris government agrees with Bonn that "NATO should not point a finger at anyone," France appears likely to side with Britain

See NATO, Page 4

Yegor K. Ligachev speaking Tuesday at the party congress as President Gorbachev, right, and Prime Minister Nikolai I. Ryzhkov listened.
The Associated Press

Ligachev Presses Hard Line

Shevardnadze Defends Change Under Gorbachev

By Michael Dobbs
Washington Post Service

MOSCOW — Soviet leaders on Tuesday staked out positions on either side of the ideological barricades, with the conservative Politburo member Yegor K. Ligachev winning loud applause from the Communist Party congress for a ringing defense of traditional Marxist-Leninist doctrine.

Advocates of change fought back with a impassioned speech by Foreign Minister Eduard A. Shevardnadze defending the Soviet Union's opening to the West and

In four and a half years, Gorbachev's status plummeted. Page 2.

the supremacy of "universal human values" over the Communist idea of perpetual class conflict.

Mr. Shevardnadze, who is regarded as a key ally of President Mikhail S. Gorbachev, also denounced the "waste" of billions of rubles on the military during the 1970s and early 1980s.

The clash between Mr. Ligachev and Mr. Shevardnadze on the second day of the party congress provided a dramatic illustration of the political differences in the highest ranks of the Soviet leadership.

Both men were elected to the Politburo in 1985, shortly after Mr. Gorbachev gained the leadership; they speak for important constituencies in the 20-million-member party.

The 4,600 delegates' reactions to the back-to-back speeches of the two men provided a rough indication of the balance of political forces at the congress, the first in more than four years.

About two-thirds of the hall appeared to join in the prolonged clapping for Mr. Ligachev; around one-third demonstratively applauded Mr. Shevardnadze.

A few months ago, many observers in Moscow were writing Mr. Ligachev's political obituary. His allies in the Politburo were being retired one by one as Mr. Gorbachev won a series of tactical victories over his opponents.

In September 1988 Mr. Ligachev, 69, once the party's chief ideologist and No. 2 leader after Mr. Gorbachev, was given the thankless task of rescuing Soviet agriculture from its chronic state of crisis.

The story of his political resurrection is as remarkable as the comeback of his radical rival, Boris N. Yeltsin.

It points up Mr. Ligachev's skill in quietly cultivating ties with Communist Party apparatchiks around the country. It also reflects a determined counteroffensive by conservatives during a period of nationalist upheavals and economic disintegration.

Mr. Ligachev insisted that the Communist Party would remain

See CONGRESS, Page 4

Now Albania: Frantic Rush on Embassies Starts

Compiled by Our Staff From Dispatches

BONN — Dozens of Albanian dissidents seeking asylum dodged police bullets to enter foreign embassies in Tirana in the most spectacular escape effort recorded in decades in Europe's last remaining orthodox Stalinist state, Western sources said Tuesday.

Up to 200 Albanians were reported to have sought refuge in various diplomatic compounds in their capital since Sunday, apparently after street demonstrations.

They chose the embassies of West Germany, Italy, Greece, Hungary, East Germany and China.

Western diplomatic sources said some who sought refuge in the Bulgarian, Cuban and Egyptian missions had been turned over to Albanian authorities. They said Bulgaria had turned over a few refugees and Cuba and Egypt two each. No others were left in their compounds.

Some climbed walls and many others jammed into trucks that crashed through fences of Western embassies, including those of West Germany and Italy, in a hail of police gunfire, according to several diplomatic sources.

Albania confirmed the mass flight and said that several persons had been "slightly wounded" in clashes with the security forces.

A statement issued Tuesday by the official Albanian press agency ATA said that 300 to 400 people, including "vagabonds, former prisoners" and "some deceived adolescents," tried to enter a foreign embassy in Tirana on Monday night.

They clashed with "forces of order," throwing stones, bricks and breaking shop windows, the statement said, adding that a number of people had been detained.

The agency called the disturbances "alarming" and said they were aimed at distorting "the image of Albania in the world."

In Budapest, the Hungarian press agency MTI reported later that the government of the Albanian Communist Party leader, Ramiz Alia, had offered passports and guarantees of safety to those being sheltered in embassies.

"The Albanian authorities are willing to guarantee that the people who will leave the embassies will be unharmed and granted passports," MTI said.

It said no one had taken up the offer.

Dissidents scaling embassy walls were fired on by the police and at least five were wounded, according to diplomats.

"I saw four people injured among the refugees," said the Greek ambassador, Pandelis Karkambasis, who on was

See ALBANIA, Page 2

Kiosk

Doe Said to Set Terms to Quit

MONROVIA, Liberia (Reuters) — President Samuel K. Doe has agreed in principle to resign, as rebels attacking the Liberian capital, Monrovia, battled troops in the city's eastern and western suburbs, political sources said Tuesday.

Mr. Doe said that he would step down on condition his safety and that of his minority Krahn tribe was guaranteed, the officials reported. They said the president was told to resign Tuesday by a delegation of close aides and politicians headed by Vice President Harry Moniba.

Earlier article, Page 4

Iran and Iraq Meet

GENEVA (Reuters) — The foreign ministers of Iran and Iraq shook hands Tuesday and sat down to their first face-to-face peace talks since the truce in the Gulf war two years ago. (Page 4.)

General News

Did the Marcos trial really belong in a U.S. court? Page 5.

Israel's envoy to Cairo quit over policy differences with the Shamir government. Page 2.

Crossword Page 8.

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Argentina Stuns Italy in Shoot-Out

Reuters

WORLD CUP GRANDSTAND

Argentina 4, Italy 3

Argentine goalkeeper Sergio Goycochea stopped the fourth and fifth shots from the penalty spot Tuesday night and Italy, the heavily favored home team, was shot out of the world championship tournament as the defending champions won the first semifinal.

Italy opened the scoring in the 18th minute.

Giuseppe Giannini headed the ball to Gianluca Vialli, whose shot was parried by Goycochea. But Salvatore Schillaci was perfectly placed to pick up the rebound and he shot to the right of Goycochea for his fifth goal in six matches.

Claudio Caniggia of Argentina, in photo, made it 1-1 in the 68th minute with a header that went over the hands of the Italian goalkeeper, Walter Zenga. And there the score stayed.

Tact and No Tact

England's manager, Bobby Robson, said tactical changes his team has had to make may give it an advantage in Wednesday night's semifinal. West Germany's Andreas Brehmen said of the English: "They lack imagination."

World Cup report: Pages 16 and 17

Mecca Toll Is 1,426, Power Cut Blamed

Compiled by Our Staff From Dispatches

MECCA, Saudi Arabia — The interior minister, Prince Nayef Abdulaziz, said Tuesday that 1,426 Muslim pilgrims died in a stampede in a pedestrian tunnel near the holy city of Mecca.

The minister gave the final death toll more than 36 hours after the disaster at Al Muaissem tunnel, where worshipers were suffocated or trampled as they made a frantic bid to escape after a power cut halted the air supply in the tunnel.

Prince Nayef said that a bridge leading to the tunnel was heavily congested Monday. At the same time, the minister said, there were about 50,000 people in the tunnel itself, many times its capacity.

The minister said that pilgrims pushing forward over the bridge caused seven people to fall at the tunnel entrance, causing panic. He said the incident prompted the pilgrims inside the tunnel to retreat and collide with other groups of worshipers.

"This regrettable incident led to a number of fatalities among pilgrims, estimated at 1,426 according to Ministry of Health reports," the minister said.

"I express my own and the Saudi government's regret over this incident, which we consider accidental."

"Old people first began falling under the feet in panic and terror," an aide to Prince Nayef said. "No one could go back or forth."

The aide added that "there was a mad rush and screaming."

Prince Nayef made no mention of a power cut inside the tunnel, which witnesses had reported earlier.

The witnesses said that the tunnel "turned into an oven" during the panic and overcrowding.

About 1.5 million people are attending the annual hajj pilgrimage.

An Indonesian diplomat said that about 50 Indonesians were among the dead. Turkey said at least 12 of its citizens were killed, and Malaysia confirmed at least eight deaths.

The disaster was the worst to afflict the annual ritual.

In 1987, about 400 persons, mostly Iranians, were killed in clashes between Saudi security forces and demonstrators trying to stage a political protest.

King Fahd acknowledged Monday that "a large number" of people died in the tunnel.

He described them as martyrs because they were killed during Eid al Adha, The Feast of Sacrifice, Islam's most important feast, which comes at the climax of the annual hajj.

"No one can blame this country for this accident because its authorities and people provided all facilities to the pilgrims," the official Saudi Press Agency quoted Fahd as saying. *(AP, Reuters)*

Unity Voting Set Dec. 2 by 2 Germanys

By Marc Fisher
Washington Post Service

BERLIN — The two Germanys have agreed to complete reunification with joint elections on Dec. 2.

East and West Germany intend to take the final step in the dismantling of their postwar division 13 months after the opening of the Berlin Wall, creating a new nation with the first all-German vote since 1933.

The decision by the East German government to accept the early date is a victory for Chancellor Helmut Kohl, who hopes to help his West German re-election chances by capitalizing on a smooth merger.

But the final move remains contingent on negotiations between the Germanys and among the four World War II Allies.

Talks between the Germanys are expected to resume this week. This round of negotiations is to focus on political structure, election laws and such legal issues as property rights. Millions of West Germans have claims to land and houses that were taken over by East Germany's Communist regime.

The talks involving the Germanys and the four wartime powers — Britain, France, the United States and the Soviet Union — are set to resume in Paris later this month.

Such hurdles as Soviet acceptance of reunification and what to do about the 380,000 Soviet soldiers in East Germany will be on Mr. Kohl's agenda when he visits Moscow in mid-July.

Details of the Dec. 2 election were not yet clear, largely because

See VOTE, Page 4

California, Rich in War Industry, Unhappily Awaits Peace Dividend

By Robert Reinhold
New York Times Service

LOS ANGELES — As the once-booming economies of Texas and then the Northeast faltered in recent years, Southern California seemed invulnerable to economic vicissitudes, because it was the center of the nation's aerospace and weapons industries.

But an economic slowdown of uncertain proportions and duration has gripped this region in response to the easing of the Communist threat in Europe.

And it comes against a backdrop of other problems in recent years, including growing congestion, soaring housing prices and increasingly costly environmental rules that have made this region less competitive for industry.

Probably no other area offers a clearer test of the economy's capacity to convert to peaceful purposes. A crucial question is whether it can make up for lost business by taking advantage of the growing worldwide demand for commercial aircraft and expanding its space exploration industries.

Pentagon spending here peaked three years ago, and deeper reductions have brought recent announcements of layoffs from the region's major military contractors — including the Lockheed Corp., the Northrop Corp. and the McDonnell Douglas Corp. This has shaken confidence throughout California and has sparked debate over whether such industries and their workers can readily shift to other work.

Aerospace and high-technology industries in the five-county Los Angeles basin — which embraces Los Angeles, Orange, Ventura, Riverside and San Bernardino counties — employ nearly 420,000 people, or 7 percent of the region's 6.2 million jobholders.

And San Diego, to the south, has the largest military presence in the country. One-fifth of Southern California's annual output of goods and services, or gross product, depends directly on military procurement and salaries.

Few economists here contend that the region is sliding into a recession comparable to the one in the Northeast. But there is a growing perception that Southern California has reached the end of the era of reliance on a laissez-faire business ethic leavened by good climate, balmy beaches and proximity to the Pacific Rim and Latin American countries. The unrelenting optimism of the booming 1980s has turned into caution for the '90s.

Signs of the difficulties are apparent along the coast from Santa Barbara to San Diego. Retailers say sales are flat, permits for new home construction have plunged, banks are tightening credit rules, unemployment rates are creeping up and the superheated housing market has stabilized.

In addition, an unexpected slowdown in the growth of tax revenue has forced Los Angeles to impose new taxes — for instance, a 10 percent levy on people who park in lots and garages — and to cut municipal spending.

California is far less dependent on military spending than it was during the Vietnam War, after which it suffered a much more severe recession than the rest of the country. The military's contribution to the state's gross product has dropped to 8 percent this year, from 15 percent in 1968.

But the state's more diversified economy is now hobbled by the effects of huge growth: high housing costs, costly smog-control rules, traffic congestion, deteriorating schools, crime and drug abuse. These problems have made it tougher to woo and retain industry.

"Everything points now to slower growth in California and Los Angeles," said David G. Hensley of the Business Forecasting Project at the University of California at Los Angeles.

"It is true we have moved away from defense," Mr. Hensley said, "but we must take into account the other negative things that have developed — traffic, crime, costs, pollution, environmental regulations. Defense cuts in this environment will have a different effect than 20 years ago. People underestimate the importance of that segment."

Mr. Hensley predicts that job growth in the state will drop from its recent rate of 500,000 new jobs a year to 300,000 this year, which would be the smallest increase since 1982.

Jack A. Kyser, chief economist at the Los Angeles Area Chamber of Commerce, said: "All this is making people think they've got to do a good, old-fashioned job of economic development. Before, we ran by remote control; growth just happened. Some of the impact of the aerospace layoffs has been soft so far, by attrition. But as we go along, we'll see more and more outright layoffs, and that is very unnerving. People are very concerned."

The slowdown comes after what was probably the most tumultuous decade in California since the Gold Rush. Los Angeles boomed. Spurred in large measure by the military buildup under the Reagan administration and the success of the

See CALIFORNIA, Page 4

Sic Transit Party Discipline

In Just 4½ Years, Gorbachev's Status Has Plummeted

By Gary Lee
Washington Post Service

MOSCOW — What a difference four and a half years makes.

When Mikhail S. Gorbachev opened the last Soviet Communist Party congress in February 1986, he held the 5,000 delegates spellbound for more than five hours describing his plans for reform. More than two dozen times the Palace of Congresses vibrated with applause.

When he had finished, the delegates rose to their feet as one and let loose a tumult of cheering and clapping that went on for more than 10 minutes. By all accounts, the 27th Party Congress — the new leader's debut before the Communist faithful — was a politician's dream.

Monday's opening of the 28th Party Congress presented a far different vision of the Soviet leader's prospects and of the forces of change he has unleashed since that last national party gathering.

It took two hours of bickering before Mr. Gorbachev could begin his keynote speech. And during the commotion, one delegate grabbed the microphone to demand that the current leadership not be allowed to preside over the congress.

When Mr. Gorbachev finally spoke, applause was no more than polite, even as he appealed for party unity for the sake of the country at large between conservatives and delegates seeking radical change.

Within minutes of the end of his two-and-a-half-hour address, conservative criticism of the Soviet leader was already spreading through the palace lobby, while outside the Kremlin walls anti-Communist protesters were chanting "Down with the party!"

Since the last party congress, the political landscape of the Soviet Union and its former client states in Eastern Europe has been transformed.

The morale and public prestige of the Soviet Communist Party have plunged, while its long-unquestioned authority is being challenged by new political movements around the country. Its membership is declining rapidly, and Mr. Gorbachev himself is widely criticized by Soviets of every political and ideological stripe.

The Soviet Union and the party that created it seethe with discontent — discontent fostered by failed visions and broken promises, by complicity with a guilty past, by political humiliation and material want, by a future it seems no faith can brighten.

Since the turn of the century, Soviet party congresses have gathered at five-year intervals to review the issues and accomplishments of the past and correct the party's course toward the future; this congress, it seems, may have to start from scratch.

Historically, Soviet party congresses also have been used by the Kremlin to launch major new policies. The 17th Congress in 1934 was dominated by Stalin and set the stage for his reign of terror. The 20th Congress, which took place three years after Stalin's death, was the setting for the so-called secret speech by new leader Nikita S. Khrushchev, in which he denounced Stalin for his crimes.

Mr. Gorbachev used the 27th Party Congress to indict his predecessors for leading the country into economic and political stagnation and to outline his plans for change.

The Gorbachev policy that has had perhaps the greatest effect on Soviet society since the 27th Congress is that of *glasnost*, or open debate. It, more than anything else, is responsible for changing the tone of the current party gathering.

At the 1986 congress, before the spirit of openness became pervasive, the norm was for party officials to display a homogeneous public image. Conservatives such as the then-KGB director, Victor M. Chebrikov, and Yegor K. Ligachev praised Mr. Gorbachev's policies; under glasnost, Mr. Gorbachev's ideological rivals voice their objections frankly, often with contempt.

Mr. Gorbachev's democratizing drive has also affected the style of this congress. The fledging free-election system in the Soviet Union has led to the growth of new political movements and parties in various regions.

The change has undermined the Communist Party's monopoly on power and made it much more vulnerable to public criticism as the political fulcrum is being shifted away from internal party decisions to debate in the newly empowered Soviet legislature.

The four and a half years since the last congress have no doubt changed many of Mr. Gorbachev's perceptions, as well.

Mr. Gorbachev seemed unprepared in 1986 to endorse bold political measures, and his speech, heavily laden with Marxist-Leninist certitudes, attacked capitalism and "Western imperialism."

In his speech Monday, Mr. Gorbachev emphasized that a Western-style market economy is the only route that will save the Soviet economy, and he defended Soviet diplomacy that led to the overthrow of Communist governments throughout Eastern Europe.

The policies Mr. Gorbachev did endorse at the 1986 congress — accelerated economic growth, higher Five Year Plan goals — seemed easy enough for a broad-based body of Soviet Communist leaders to rally behind.

He discussed the concept of his more fundamental *perestroika*, or restructuring, plan, too, but did not elaborate on it until later. And he did not mention glasnost at all.

Carl Ho/Reuters

EVADING HONG KONG'S NET — Suspected illegal immigrants from China clinging to scaffolding in Hong Kong while a policeman spoke from a window. About 10 men continued to evade arrest for a second day Tuesday by remaining on scaffolding outside a 35-story building.

Former Spy Says KGB Has Little Left to Hide

Reuters

MOSCOW — The KGB has little left to hide, a former spy said Tuesday, since most of its secrets have been exposed by a score of defections since 1980.

Oleg D. Kalugin, branded a traitor and stripped of his medals under the signature of President Mikhail S. Gorbachev, said the KGB security agency had not infiltrated moles — undercover operatives — into the U.S. Central Intelligence Agency in the seven years he ran counterespionage operations abroad.

His latest broadside was published in the daily Komsomolskaya Pravda, which last month printed revelations that brought down the wrath of Soviet officialdom.

"From 1960 to 1980 three KGB officers defected to the West," Mr. Kalugin wrote. "And since 1980, about 20 people betrayed the country. The latest defector went to Belgium this spring.

"So we can speak not about a leak of information but about the transfer and sale to the West of the majority of secrets of Soviet intelligence, about the complete collapse of a huge number of spy networks. But all this is hidden from the public."

Komsomolskaya Pravda also published a request for a parliamentary investigation of Mr. Kalugin's exposé of the KGB, the Committee for State Security. It was addressed to the chairman of the Soviet legislature and first vice president, Anatoli I. Lukyanov, and signed by 14 deputies.

The letter called upon the legislature, in its autumn session, to investigate the KGB budget, its operations and its methods, find out who controlled it and check its spying on public groups.

Mr. Kalugin, a 32-year veteran of the KGB, says he was forced to retire in March after falling out with his superiors.

Last month he publicly accused the KGB of conducting a smear campaign against the Communist radical Boris N. Yeltsin, who is president of the Russian Republic, and of trying to embarrass Prime Minister Nikolai I. Ryzhkov.

The KGB responded with a sharp attack published in Pravda that said Mr. Kalugin had embarked on the road to treachery.

The Pravda article portrayed Mr. Kalugin as an ineffective agent whose blunders had caused Soviet intelligence to lose one of its most prized agents inside the CIA.

In reply, Mr. Kalugin said there had not been a single Soviet agent in the CIA while he headed external counterintelligence, and that therefore "any loss as a result of my 'incompetence and conceit' was impossible."

Envoy to Cairo Quits Over Shamir

Compiled by Our Staff From Dispatches

JERUSALEM — Israel's ambassador to Egypt, Shimon Shamir, announced his resignation Tuesday over policy differences with the rightist government that was formed last month.

The ambassador said that his resignation was not related to the stalemated Middle East peace process in which Egypt had tried to mediate between Israel and Palestinians.

"I resigned because my personal beliefs are not in harmony with the present government," he said.

"It has nothing to do with the peace process," the ambassador said. "I hope very much there will be a breakthrough in the process in the next few weeks."

Israeli officials said the resignation would have no effect on ties with Egypt, which in 1979 became the only Arab country to make peace with Israel.

The ambassador announced his decision after meeting Foreign Minister David Levy. The meeting was seen as a final effort to avert the resignation.

"I told Mr. Levy I am not the right man for the job," Mr. Shamir said. "It is a question of my overall world view compared to the overall platform of the existing government."

He said he decided to resign when the rightist government of Prime Minister Yitzhak Shamir was formed last month.

The newspaper Ha'aretz said that friction had emerged between the ambassador and a top political aide to the prime minister over Tel Aviv's harder line toward Egypt.

Shimon Shamir was named ambassador to Egypt in August 1988 by Shimon Peres, the leader of the leftist Labor Party, who was then foreign minister. (AP, Reuters)

Mandela Hopeful on Thatcher Talks And Tries to Defuse Remark on IRA

By Sheila Rule
New York Times Service

LONDON — Nelson Mandela expressed optimism Tuesday about the prospects of narrowing his differences with Prime Minister Margaret Thatcher over the issue of economic sanctions in South Africa, as he sought to defuse a controversy sparked by his comments about the Irish Republican Army.

On the first day of a two-day official visit to Britain, Mr. Mandela met Foreign Secretary Douglas Hurd for lunch to discuss the prospects for progress in South Africa.

After the meeting, Mr. Hurd said that he had emphasized to Mr. Mandela that Britain was "anxious to do everything we could to help without interfering in South Africa's affairs."

Mr. Mandela, deputy president of the African National Congress, said: "I stressed the historical ties between Britain and South Africa and expressed the hope that these ties would be strengthened."

The South African nationalist leader, nearing the end of a strenuous tour that has covered Western Europe and the United States, said he was optimistic about his scheduled talks on Wednesday with Mrs. Thatcher.

The talks were expected to cover the role of what the ANC calls its armed struggle, and the use of sanctions, vigorously championed by the ANC, in moving toward a multiracial democracy in South Africa.

Britain has condemned violence as a strategy and been criticized by Mr. Mandela for easing some sanctions — including a ban on new investment in South Africa — in the belief that President Frederik W. de Klerk should be encouraged in his efforts to achieve change.

Mr. Mandela suggested that there was a possibility of narrowing the gap between the two positions and said: "There are some points of difference. That does not worry me."

The issue was overshadowed Tuesday by the controversy surrounding remarks Mr. Mandela made in Dublin on Monday that appeared to suggest that the British government should open talks with the IRA.

The IRA has been waging a guerrilla war for 20 years to try to force Britain out of Northern Ireland. Britain has said that it will not consider talks until the group puts down its weapons.

The dispute arose after Mr. Mandela replied to a question about the IRA at a press conference, where he said: "People are slaughtering one another when they could sit down and address the problems in a peaceful manner."

Mr. Mandela later said that he had been misinterpreted and, amid criticism from all of Britain's main political parties and newspapers on both left and right, attempted to clarify his position at a meeting with 150 members of Parliament.

Insisting that he had not sought to interfere in British politics, he said that he had been speaking about conflict in general and not specifically about Northern Ireland.

Britain Inquires Into Report of Fake Bomb

Compiled by Our Staff From Dispatches

LONDON — Britain has begun an urgent investigation to discover how the father of a victim of the 1988 Lockerbie crash was able to smuggle a fake bomb through security at London's Heathrow airport.

Jim Swire, whose daughter Flora, 20, was one of 270 killed when Pan Am flight 103 was blown up by a bomb over Lockerbie, Scotland, told a news conference on Sunday that his replica bomb went undetected despite checks by airport security. It was rigged in a cassette recorder, as the real bomb may have been, and it was filled with marzipan confection, which looks and feels like the explosive Semtex.

British Airways said Tuesday that Mr. Swire had disclosed his identity to the airline security staff. "It is therefore not unreasonable that they took a sympathetic attitude to him," said Sir Colin Marshall, deputy chairman of British Airways.

Transport Secretary Cecil Parkinson said that Mr. Swire was providing details to the authorities.

Mr. Parkinson said any prosecution of Mr. Swire would be a matter for the police and prosecutor's office. *(Reuters, AP)*

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Tokyo Rejects Soviet Plan to Share the Kurils

The Associated Press

TOKYO — Japan rejected as premature Tuesday a Soviet proposal to share ownership of Soviet-held islands in the Kuril archipelago, which Japan claims as its own.

"We insist that they do belong to Japan," said Taizo Watanabe, a Foreign Ministry spokesman. He said that the ownership of the islands, off the northern coast of Japan, "should be cleared up first." But he said that the Soviet proposal was "interesting."

The dispute over the islands, known as the Kurils by the Soviets and as the Northern Territories by the Japanese, has prevented the Soviet Union and Japan from signing a peace treaty to formally end World War II.

Soviet troops occupied the islands in the closing days of World War II.

DEATH NOTICE

Mrs. Maud Whittinghill and her children Susan, Roderick and John regret to announce the death of

George D. WHITTINGHILL,
American Consul General, retired,
in Nice on June 22, 1990, aged 82 years.

For his World War II services he was awarded the Presidential Medal of Freedom, the O.B.E., the Croix de Guerre avec Palmes and the Medaille des Volontaires de la Resistance.

c/o U.S. Consular Agency, Nice.

Strike Halts Flights in Paris

By Alan Riding
New York Times Service

PARIS — Timing their action to coincide with the start of the European vacation season, French air traffic controllers began a three-day strike Tuesday that resulted in the cancellation of two-thirds of flights in and out of Paris.

The air traffic controllers are demanding increased staffing and a 20 percent to 30 percent wage raise to compensate for heavier traffic at the capital's three airports — Orly, Le Bourget and Roissy.

With about 65 percent of the 350 Paris-area controllers heeding the strike call, a *minimum* service was maintained at Orly and Roissy.

Controllers elsewhere in France have not struck, but dozens of flights in and out of Paris were nonetheless canceled and others faced long delays.

Pan American World Airways, Trans World Airlines and American Airlines said they were flying some passengers to Brussels and bringing them by train or bus to Paris. Some overnight flights were diverted to Geneva, their passengers also being brought to Paris by train.

Air France and the French domestic carrier, Air Inter, canceled 60 percent of their flights, although Air France said it was maintaining most of its long-haul flights.

KLM Royal Dutch Airlines suspended all flights to Paris until Friday, while British Airways cut its London-Paris service to four from 21 flights a day.

Long known for disrupting service during holiday seasons, France's air traffic controllers have accused the government of refusing to discuss their demands.

The transport minister, Michel Delebarre, said the strike would "seriously penalize French and foreign users, and notably those going on vacation."

The air controllers' strike was preceded by other labor actions that produced long delays to flights last weekend. Ferry services across the Channel from Britain were also affected recently by crews that blocked the entrance to the port of Calais.

Reflecting the public's irritation with the air controllers' strike, the newspaper Le Monde asked in a Monday editorial: "Shouldn't the government take some initiative when it knows that it is going to face dangerous discontent? Passengers would be happy to no longer pay the price of an alliance between passivity and corporatism."

ALBANIA: *The Rush on Embassies Starts in Tirana*

(Continued from page 1)

sheltering five Albanians. "At least two were hit by gunfire. One of them was in serious condition."

He said Tirana was now calm.

The attacks on people trying to take sanctuary in the Tirana embassies since Sunday were condemned by foreign governments on Tuesday.

Italy, which has just assumed the presidency of the European Community, said it would ask for a coordinated EC response to the events in Tirana at a meeting in Brussels on Wednesday.

Refugees who climbed a fence into the West German Embassy late Sunday were fired on by Albanian police, who wounded one of them in the leg, the Foreign Ministry said in Bonn.

West Germany protested sharply to Albania over the shooting, said a ministry spokesman, Hanns Schumacher.

Dozens of other refugees later crashed a truck through the same fence to enter the compound, he said.

Mr. Schumacher said all refugees were Albanians pressing for a right to leave the country on political grounds. "Nobody will be expelled from the embassy against his will," he said.

Since Sunday, the Bonn spokesman said, 83 refugees sought shelter in the West German mission and a further 60 to 80 in embassies of France, Italy, Greece, East Germany and China.

The Italian Foreign Ministry said about 20 dissidents seeking political asylum had entered its embassy over the past few days. A ministry spokesman said they included six Albanians who rammed the embassy gates in a truck on Monday and asked for asylum.

Four Albanian men entered the Hungarian Embassy seeking asylum, MTI reported. *(Reuters, AP)*

TRAVEL ADVISORY FEATURE

The Route of Great Shopping

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Paris	via	Abu Dhabi Duty Free
Bangkok	via	Abu Dhabi Duty Free
Cairo	via	Abu Dhabi Duty Free
Bombay	via	Abu Dhabi Duty Free
Manila	via	Abu Dhabi Duty Free
Karachi	via	Abu Dhabi Duty Free

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Abu Dhabi Airport Duty Free

WORLD BRIEFS

Serbs Reject Kosovo Independence

BELGRADE (AFP) — The Serbian authorities on Tuesday rejected as unconstitutional a declaration by ethnic Albanian deputies in Kosovo that declared the province a republic independent of Serbia. They said the declaration had "no legal force" and warned that Serbia would use all measures at its disposal against the "Albanian separatists."

The declaration, signed Monday by 114 ethnic Albanian members of the Kosovo parliament, calls for the predominantly ethnic Albanian province to have the same constitutional status as Yugoslavia's six republics. Kosovo is one of two Serbian provinces.

In Belgrade, the Socialist Alliance of the Working People of Yugoslavia, a Communist Party organization, called the declaration an "illegitimate act" against the territorial integrity of Serbia and Yugoslavia.

Finns to Allow Transit of Soviet Jews

HELSINKI (Reuters) — The Finnish government gave approval on Tuesday for transit flights of Soviet Jews heading for Israel or other destinations and said that it trusted Israel would not settle immigrants in the occupied territories.

Foreign Minister Pertti Paasio said after a cabinet meeting that the Israeli airline El Al had asked to send one charter flight via Finland every week until Oct. 24. He said this would allow about 3,000 Soviet Jews to leave through Finland. Flights are to begin soon.

Finland said in March that it supported the free movement of Soviet Jews but opposed their being settled in Israeli-occupied lands such as the West Bank and Gaza Strip. Israel said last week that it would not settle immigrants in the territories. Many Palestinians fear that an influx of Jews there would upset the demographic balance.

Angola to Move to Multiple Parties

LUANDA, Angola (Reuters) — Angola's one-party government, looking for ways to end a 15-year war against rebels demanding the end of one-party rule, said Tuesday that it would evolve toward a multiparty system.

"Bearing in mind the history and reality of our country, the People's Republic of Angola will evolve toward a multiparty political system," the ruling Popular Movement for the Liberation of Angola said in a statement released at the end of a meeting of the central committee.

Meanwhile, Angolan rebels said Tuesday they had blown up an oil pipeline in the northwest, causing a huge fire that burned for nearly seven hours. The National Union for the Total Independence of Angola, UNITA, said in a statement issued in Lisbon that it struck in Soyo region, next to the Congo River estuary, on Thursday, damaging three oil exploration wells.

Jury in N.Y. Racial Killing Is Split

NEW YORK (AP) — A defendant in the trial stemming from the racial attack in the Bensonhurst section of Brooklyn last year was found not guilty Tuesday of one count of murder, but the jury could not reach a verdict on a second murder charge against him.

The jury, which was in its ninth day of deliberations, convicted John Vento of two counts of unlawful imprisonment and four counts of menacing for his role in the attack which left Yusuf Hawkins, 16, dead. Mr. Vento was acquitted of the first murder count, a weapons possession charge, one count of unlawful imprisonment and five counts of discrimination. The jury was also was hung on a count of first-degree riot.

The Vento case was the second trial stemming from the attack by a white gang on the Hawkins youth, who was shot and killed in the predominantly white neighborhood last year. The first trials, held simultaneously but with separate juries, resulted in a murder conviction against Joseph Fama, 19, and a conviction on lesser charges against Keith Mondello, also 19.

Model Says Barry Blocked Contract

WASHINGTON (AP) — Rasheeda Moore testified Tuesday at Mayor Marion S. Barry Jr.'s trial on drug and perjury charges that she lost a city contract in 1988 because she had refused a sexual request from the mayor.

Ms. Moore, the former model who aided the FBI sting against Mr. Barry, said the contract had been speedily approved in 1986 "because the mayor told me it would be." Ms. Moore, who was testifying for the fourth day, answered questions from Assistant U.S. Attorney Judith Retchin, who sought to counter attempts by Mr. Barry's defense to show the mayor was illegally enticed into smoking crack cocaine before his Jan. 18 arrest.

Ms. Moore said she turned down Mr. Barry's advances in 1988 at a downtown Washington hotel where they had been using drugs and discussing her contract for a program, Project Me, to build self-esteem in city teenagers.

Pilot Faulted in N.Y. Runway Crash

WASHINGTON (AP) — Federal investigators on Tuesday blamed the captain of USAir Flight 5050 for lack of "command authority" when his airplane skidded off a New York runway and into the East River last September.

The National Transportation Safety Board said the problems began with an erroneously set rudder control that the pilot did not detect. It added that the crash's probable cause was "the captain's failure to exercise command authority in a timely manner to reject the takeoff or take sufficient control to continue the takeoff." The Air Line Pilots Association protested the findings as "totally unwarranted."

Two of 57 passengers were killed when the Boeing 737 skidded off the end of a LaGuardia Airport runway Sept. 20. All six crew members survived.

U.S. Lifts Nuclear Cleanup Estimate

WASHINGTON (AP) — It will cost about $6 billion a year over the next five years to store and clean up waste from U.S. nuclear weapons plants — and up to $200 billion over 30 years — nearly 50 percent more than earlier projected, according to new plan released Tuesday by the Energy Department.

The revised total through fiscal 1995 would exceed $28.6 billion, up from the $19.5 billion the department estimated six months ago, the report said. And it will cost between $150 billion and $200 billion to clean up and store wastes at nuclear weapons plants nationwide over the next 30 years, said Paul Grimm, assistant secretary for defense programs.

TRAVEL UPDATE

Mexico may run random medical tests on tourists suspected of carrying the AIDS virus, the news agency Notimex reported, under terms of a bill to be submitted soon to the legislature, but the tests would only be carried out in "extreme cases." Another provision would make the transmission of AIDS a criminal offense under some circumstances. *(Reuters)*

Swedish pilots of SAS on Tuesday approved five one-day strikes, from July 11, on European and Scandinavian internal services. SAS said about 250 of its 700 daily flights would be affected by stoppages called to press for higher pay. *(Reuters)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	17	63	8	46	cl
Athens	35	95	22	72	fr
Barcelona	27	81	22	72	r
Belgrade	31	88	17	63	cl
Berlin	28	82	11	52	cl
Brussels	19	66	10	50	r
Budapest	29	84	15	59	r
Copenhagen	20	68	11	52	r
Costa Del Sol	28	82	20	68	fr
Dublin	17	63	6	43	r
Edinburgh	17	63	7	45	r
Faro	29	84	21	70	fr
Florence	29	84	20	68	fr
Frankfurt	28	82	9	48	r
Geneva	24	75	14	57	cl
Helsinki	18	64	12	54	cl
Las Palmas	25	77	21	70	fr
Lisbon	26	79	15	59	fr
London	20	68	8	46	fr
Luxembourg	20	68	10	50	cl
Madrid	33	91	17	63	cl
Milan	32	90	14	57	cl
Moscow	27	81	14	57	cl
Munich	28	82	9	48	cl
Nice	29	84	21	70	fr
Oslo	21	70	11	52	r
Paris	20	68	11	52	r
Prague	21	70	9	48	cl
Reykjavik	11	52	7	45	fr
Rome	28	82	19	66	fr
Stockholm	20	68	12	54	cl
Strasbourg	19	66	10	50	r
Venice	28	82	18	64	fr
Vienna	27	81	15	59	cl
Warsaw	24	75	14	57	r
Zurich	21	70	11	52	r

MIDDLE EAST

Ankara	28	82	10	50	fr
Cairo	33	91	21	70	fr
Istanbul	30	86	21	70	fr
Jerusalem	28	82	11	52	fr
Tel Aviv	29	84	18	64	fr

OCEANIA

Auckland	—	—	—	—	no
Sydney	16	61	8	46	fr

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	79	r
Beijing	—	—	—	—	no
Hong Kong	32	90	29	84	cl
Manila	31	88	25	77	cl
New Delhi	32	90	26	79	cl
Seoul	22	72	18	64	sh
Shanghai	28	82	22	72	cl
Singapore	32	91	25	77	cl
Taipei	33	91	26	79	cl
Tokyo	25	77	21	70	sh

AFRICA

Algiers	30	86	23	73	cl
Cape Town	21	70	9	48	fr
Casablanca	25	77	20	68	c
Harare	19	66	6	43	fr
Lagos	29	84	24	75	c
Nairobi	24	75	17	63	fr
Tunis	34	93	22	72	cl

LATIN AMERICA

Buenos Aires	—	—	10	50	c
Lima	—	—	—	—	no
Mexico City	27	81	14	61	sh
Rio de Janeiro	—	—	—	—	no

NORTH AMERICA

Anchorage	22	72	13	55	pc
Atlanta	34	93	20	68	fr
Boston	28	82	20	68	fr
Chicago	25	95	24	75	pc
Denver	33	91	19	66	pc
Detroit	32	90	19	66	pc
Honolulu	30	86	21	70	pc
Houston	36	97	24	75	fr
Los Angeles	30	86	20	68	pc
Miami	34	93	25	77	pc
Minneapolis	27	99	24	75	pc
Montreal	27	81	16	61	pc
Nassau	32	90	24	75	pc
New York	30	86	22	72	pc
Phoenix	42	108	30	86	pc
San Francisco	21	70	12	54	pc
Seattle	24	75	11	52	pc
Toronto	24	75	18	64	pc
Washington	31	88	23	72	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Cloudy. FRANKFURT: Temp. Cloudy. 19 — 11 (66 — 52). LONDON: Overcast. Temp. 18 — 10 (64 — 50). MADRID: Sunny. Temp. 33 — 17 (91 — 63). NEW YORK: Sunny. Temp. 34 — 24 (93 — 75). PARIS: Overcast. Temp. 20 — 11 (68 — 52). ROME: Partly cloudy. Temp. 28 — 21 (82 — 70). TEL AVIV: No. ZURICH: Cloudy. Temp. 18 — 11 (64 — 52). BANGKOK: Showers. Temp. 35 — 26 (91 — 79). HONG KONG: No. MANILA: Cloudy. Temp. 32 — 21 (90 — 70). SEOUL: Cloudy. Temps. 26 — 18 (79 — 64). SINGAPORE: Fair. Temp. 29 — 26 (84 — 79). TOKYO: Rain. Temps. 24 — 20 (75 — 68).

Quebec's Identity Search: How Far to Go? And How Fast?

By Alessandra Stanley
New York Times Service

MONTREAL — These days, Quebec is a little like a partner in a marriage who concludes that the relationship has failed but who finds divorce too costly. Less drastic measures, like legal separation, are never as cut-and-dried or as cathartic.

"It is very difficult to give a name to Quebec's new role or find a formula for its future," said Jean-Claude Rivest, an adviser to Robert Bourassa, the premier of Quebec. Although there is no shortage of speculation on Quebec's future — ranging from gradually increased self-reliance to sovereignty with economic ties — virtually all ideas are presented by advocates and analysts are deliberately vague.

Mr. Bourassa has taken to referring to Quebec as a nation. He proposes gradual change and has given a commission of the governing Liberal Party the task of coming up with a blueprint for Quebec's future. Its proposals will not be formally disclosed until they are presented to a party convention in March.

The separatist opposition, the Parti Québécois, is in no mood to wait. But for strategic reasons its leaders have refrained from appearing to push too fast for independence.

Public opinion surveys have shown that 60 percent of voters favor some form of sovereignty, and both parties are trying to appeal to the independence-minded. Both have been careful to appear united behind a common goal.

Jacques Parizeau, leader of the Parti Québécois, and Mr. Bourassa met in Montreal on Friday. Afterward, they agreed to work together to establish a nonpartisan parliamentary commission that would travel to every region and canvas public sentiment about Quebec's future.

Mr. Parizeau had previously called for an autumn meeting of the Estates General, a special assembly of political leaders, unions, professional associations and other groups that would draft a provincial constitution and lay the groundwork for a national referendum on the issue of sovereignty. Quebec voted against independence in a 1980 referendum.

The Estates General was last convened in Quebec in 1969 in a tumultuous meeting that marked the first time independence was seriously considered by a broad range of Quebec interest groups.

The Quebec government had responded coolly to Mr. Parizeau's proposal. "There is a risk only one opinion will prevail," Mr. Rivest said. "We are not absolutely against it, but we want some guarantees that every sensibility will be represented."

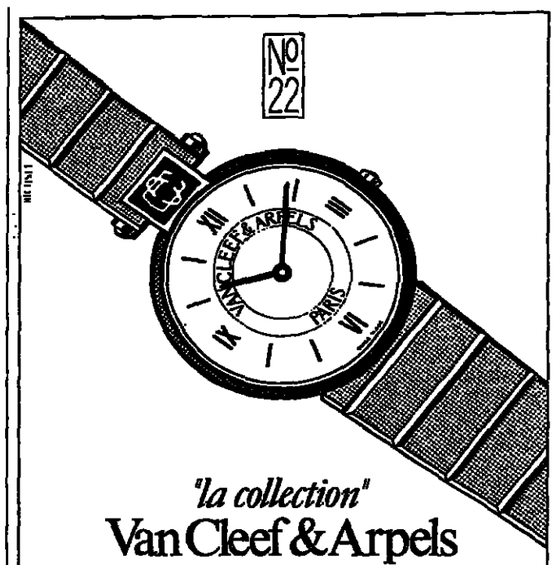
Both parties have embraced the notion of drafting a constitution, but they are at odds over procedure. The Liberals have insisted that it be framed by a commission appointed by Parliament. They do not share the Parti Québécois view that a constitution would amount to a declaration of independence.

For now, Mr. Bourassa's government has mainly concentrated on bilateral negotiations with Ottawa, pressing its psychological advantage as the injured party in the failed attempt to reach constitutional agreement known as the Meech Lake Accord, which was supposed to grant Quebec more autonomy within the federal system.

"I am struck by the lack of animosity," said Graeme Decarie, chairman of the history department at Concordia University in Montreal. "There is confusion, but not even much antagonism toward English Canada as there has been at critical moments in the past."

But there have been a few signs of peevishness.

Mayor Jean-Paul L'Allier called off Canada Day weekend celebrations in Quebec City. "We have no business celebrating a country that slammed its door on our fingers," he said.



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AMERICAN TOPICS

Foundation Presents Wild Acreage to U.S.

More than 100,000 acres (40,000 hectares) of wildlife refuges and historic areas were presented Tuesday to the federal government by the Mellon Foundation of Pittsburgh. The 10 parcels of land had been quietly bought in seven Eastern and Southwestern states over the last two years for $21 million, sometimes from under the noses of eager developers.

The largest parcel is 93,000 acres of Alligator River wetlands in North Carolina, where conservationists hope to reintroduce the endangered red wolf.

One historic parcel is the Cornfield, part of a 280-acre tract of the Antietam battlefield in Maryland, where 23,061 Union and Confederate soldiers were killed, wounded or listed as missing between sunrise and sunset on Sept. 17, 1862, the bloodiest day of the Civil War.

Short Takes

"6,892 Questionable Doctors," a book as thick as a telephone directory, has been published by the privately funded Public Citizen Health Research Group. It is the first nationwide compilation of health-care workers who have been disciplined by their peers on medical boards in 40 states. The other 10 states do not make such information public.

The book costs $40, but single-state lists are available for $10 from the group at 2000 P Street NW, Washington, D.C. 20036, Dept QD. The list includes the reason the individual was disciplined. A spokesman said, "Usually you can find out more about the guy who fixes your car than you can about your doctor."

The U.S. government is committed to buying surplus butter, freezing it rock-solid and then trying to sell it to foreign countries or give it to school lunch programs or disaster victims. Last year it bought 348.3 million pounds (158.6 million kilograms) for $383 million. With the growing concern about cholesterol, margarine outsells butter by more than 2 to 1. So why not cut production? Because butterfat is a component of milk. "Cows don't know that consumers don't want it," notes The Washington Post.

After the butter mountain, the used-tire mountain. Tire dealers are now charging customers for disposal at $1 or more per old tire. Each year 279 million used tires are added to the nearly 3 billion already stockpiled. They can be recapped, bound together as fishing reefs or used as fuel. But the supply keeps growing. When stored above ground, old tires are a fire hazard. When buried, they tend to work their way to the surface. "Like vampires, used tires don't stay buried in their graves," said Representative Esteban E. Torres, the California Democrat who has introduced a bill to promote recycling.

Shorter Takes: During June's heat wave in Los Angeles, as temperatures reached 112 degrees Fahrenheit (44 centigrade), radio station KRTH-FM kept listeners cool by playing "White Christmas" and "Winter Wonderland." • Chicago, where the Dick Tracy comic strip was born 60 years ago, has a police captain of that name. He said he has been told of prisoners "joking or bragging about being arrested by Dick Tracy."

Arthur Higbee

A Sharp Cutback In Hubble Program

Telescope's Flaw to Delay for Years Exploration of Mysteries of Universe

By John Noble Wilford
New York Times Service

NEW YORK — Because of the focusing defects found last week in the $1.5 billion Hubble Space Telescope, virtually all the key instruments aboard will lose a major part of their capabilities and the most exciting scientific missions will have to be postponed until replacement instruments can be installed.

It will be several years before astronomers can try to explore the size and age of the universe, seek images of planets around other stars or view deep space in an attempt to see conditions as they might have been near the beginning of time.

"It's a punch in the stomach," said C. Robert O'Dell, a Rice University astronomer who was the project's chief scientist in its formative years.

The focusing defects in the Hubble's mirror system will distort the light reaching the instruments and will thus degrade the performance of most of them.

The primary camera will be unable to make half of its planned observations. The faint-object camera will lose up to 40 percent of its capability to see visible light and some of its capabilities in ultraviolet light.

The high-speed photometer, a sensitive light meter, will be unable to accomplish more than half of its objectives.

And a high-resolution spectrograph, which analyzes light from stellar objects, will be unable to perform a quarter of its program.

Although instruments that process ultraviolet light will be less affected than those that process visible light, their performance will also be degraded.

But all is not lost. The nonimaging instruments, including the two spectrographs and the photometer as well as the fine guidance sensors, should still be able to do most of their jobs.

The ability of the faint-object camera to view phenomena in ultraviolet light should also still give astronomers glimpses of cosmic phenomena never before possible on the ground or in space.

Lyman Spitzer Jr., professor emeritus of astronomy at Princeton University, who published the initial concept for a space telescope in 1946, will use the spectrometers, which he said "had not suffered a terrible blow."

Astronomers at the Space Telescope Science Institute in Baltimore are already studying ways to juggle schedules for the Hubble, throwing out some imaging plans, expanding the time for spectroscopic work and perhaps reviving some observations that had been rejected for lack of time.

More than 10 times as many proposals were made for Hubble than could be fitted in the first year of operation. Regular observations are not scheduled to begin before the end of the year.

"Obviously, we are going to have to make schedule changes," said Ray Villard, a spokesman of the institute. "The mood is, you can do a lot of good science, but you have to look closer to home than we had been planning. Looking out to the far limits requires extreme sensitivity and contrast, something Hubble doesn't have now."

Another possibility being weighed by engineers of the National Aeronautics and Space Administration is image enhancement, a technique often used to improve pictures sent back from distant planetary probes.

Lennard A. Fisk, NASA's chief scientist, said there was growing optimism the agency would be able to do some "image reconstruction" for visible wavelengths, especially since the aberration was so uniform.

The process, he implied, would be similar to taking the distortions out of a fun-house mirror. "We're stubborn and clever," he said. "We're going to make it work."

■ Overwhelmed by Task

William Booth of The Washington Post reported from Washington:

Former government scientists and outside experts appointed by NASA to review the making of the Hubble mirrors said they were often overworked and overwhelmed by the task and did not rigorously check crucial tests done by the mirror manufacturer.

Officials said last week that they had found the mirrors to be so flawed that a large part of the $2.8-billion project's goals cannot be met until a shuttle flight set for 1993 tries to install a corrective system.

The outside experts, who were members of the Science Working Group that advised NASA on building the Hubble, said manpower shortages and high confidence in the mirror manufacturer meant that work was not scrutinized as vigorously as it should have been. The mirrors, among the most sophisticated optics ever attempted, were built by Perkin-Elmer of Danbury, Connecticut, which has since been renamed Hughes Danbury Optical Systems.

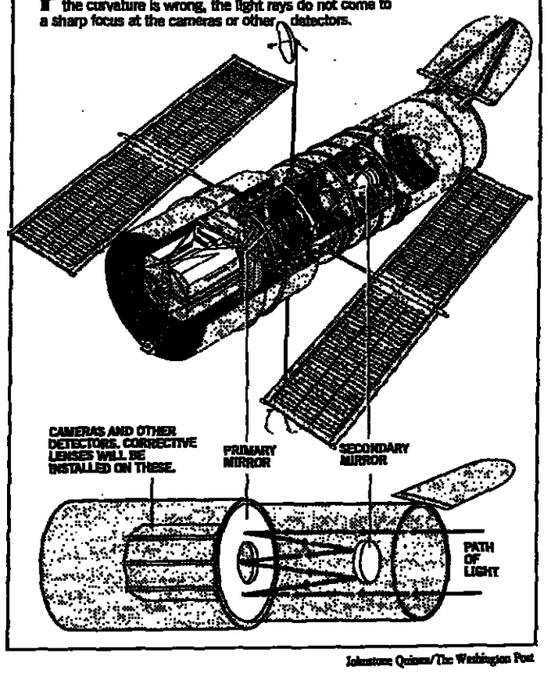
"We could not possibly be the watchdogs," said William Fastie, an optical expert at Johns Hopkins University and one of two telescope scientists on the group.

In hindsight, the contractor had "more autonomy than they should have had," Mr. Fastie said. Perkin-Elmer "had a sweetheart deal," he added.

"There was the presumption that these guys all knew what they were doing," said Arthur Davidsen, a Hopkins astronomer and another member of the group. He said astronomers had confidence in the mirrors because it was widely known that Perkin-Elmer worked on mirrors for spy satellites.

The Hubble has two mirrors which gather starlight and focus it on a tiny spot at the rear of the telescope, where a cluster of cameras and equipment capture the magnified light and send images and data streaming back to Earth. NASA officials said they do not yet know which of the two mirrors is flawed, although they have said that the problem appears to be a "manufacturing flaw."

HUBBLE TROUBLE



Johnstone Quiroz/The Washington Post

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Peru's Leader Seeks Change In Japan's Attitude on Loan

Agence France-Presse

TOKYO — Peru's president-elect, Alberto Fujimori, said here Tuesday that more effort was needed to change Japan's lukewarm view toward his request for loans to help repay his nation's debt to world financial institutions.

"I have sowed a seed that will germinate in the future," he said after a series of talks with Japanese government and business leaders.

Mr. Fujimori failed to secure a firm commitment of loans when he met on Monday with Prime Minister Toshiki Kaifu and Finance Minister Ryutaro Hashimoto.

Japanese officials said such credit was not allowed under aid development procedures of the Export-Import Bank of Japan or the Overseas Economic Cooperation Fund. They wanted to see Peru first undergo economic restructuring.

Mr. Kaifu pledged to send an mission to examine economic conditions in Peru, and to consider resuming official credit.

"Peru wishes to return to the international financial community as soon as possible," Mr. Fujimori said, adding that it is to be a pillar of his foreign policy.

Peru unilaterally halted repayments of foreign loans in 1985 and began taking a confrontational stand toward international lending agencies.

Speaking at a nationally televised press conference, Mr. Fujimori expressed affinity for the country where his parents were born.

"I have been feeling as if I am staying at my own home," he said.

The 90-minute press conference focused on how he would bail out Peru, which is beset by foreign debt of $18 billion and social instability.

He visited New York last week and met with leaders of the International Monetary Fund.

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Closing In, Liberian Rebels Vow 'an End' to Doe

Compiled by Our Staff From Dispatches

ABIDJAN, Ivory Coast — Hundreds of rebels began an attack on the Liberian capital and several thousand more were approaching Monrovia on Tuesday to "put an end" to President Samuel K. Doe, according to rebel officials near the Liberian border.

The officials said Charles Taylor, the leader of the National Patriotic Front, was directing the rebel assault.

Mr. Doe was believed to be barricaded inside his mansion, which was surrounded by elite troops.

Rebel officials in Abidjan, who were in radio contact with rebel forces inside Liberia, said that the Front had broken into the center of Monrovia, but that it did not have full control of the city.

In Paris, diplomats said the rebels had taken the port on one side of Monrovia and the main radio station on the other side on Tuesday after a night of heavy fighting.

All telephone and telex links with Monrovia were cut Monday as the rebels tightened their stranglehold on the capital, capturing the last main land route out of the city.

In Washington, defense officials said the United States could evacuate Mr. Doe within hours if asked to do so.

A Bush administration official said the U.S. ambassador to Liberia met with Mr. Doe on Sunday, and that there had been contact with other Liberian officials since then. But Mr. Doe seemed determined to fight it out, the official said.

Reports on Monday said that there was heavy gunfire and shelling in the eastern and western suburbs of Monrovia.

The reports quoted a Western diplomat as saying the rebels would encounter little resistance on the outskirts, but that they would meet more force at Mr. Doe's mansion.

"Then it will all be over," the diplomat said.

Monrovia has had no water or electricity since rebel attacks last week on the capital's water works and hydroelectric dam.

Government troops have been roaming the streets, commandeering cars and extorting cash.

Members of the Mano and Gio tribes, which support Mr. Taylor, have crowded into Monrovia's churches seeking sanctuary from soldiers who belong to Mr. Doe's Krahn tribe.

Most of Mr. Doe's cabinet and senior officials, including his defense minister, have fled Liberia.

Four U.S. warships remained off the Liberian coast on Tuesday in case evacuation of remaining Americans was necessary.

Several countries have offered Mr. Doe asylum, including Nigeria and Togo.

Mr. Doe, 40, a former master sergeant, has ruled Liberia since an April 1980 coup. He initially won wide support in Liberia, but subsequently was accused of mismanagement and corruption, oppressing critics and suppressing the press.

On Dec. 24, the rebels invaded Liberia from Ivory Coast and swept across the country with little resistance from Mr. Doe's forces.

Government resistance began in earnest when the rebels were within 55 kilometers (35 miles) of Monrovia four weeks ago. The assault on the capital began last week after the rebels refused to attend a second round of peace talks aimed at ending the war.

(AP, Reuters, UPI)

Laszlo Balogh/Reuters

BANNER OCCASION — Hungarians in Budapest unfurling their restored coat of arms, the 600-year-old shield and crown of St. Stephen. Below it is the abandoned Communist emblem.

Gulf War Foes Meet In Geneva

Talks May Bring Iran-Iraq Summit

By Youssef M. Ibrahim
New York Times Service

GENEVA — The foreign ministers of Iraq and Iran held their first direct talks Tuesday in a move that may open the way to a meeting between President Saddam Hussein of Iraq and Hashemi Rafsanjani of Iran and the negotiation of a peace treaty to end 10 years of hostility.

The meeting held at the United Nations headquarters here was described by the UN secretary-general, Javier Pérez de Cuéllar, as a "breakthrough."

"I think that this meeting sends to both peoples — the people of Iran and the people of Iraq — the right message that both governments are really committed to find a peaceful solution to the problem as soon as possible," Mr. Pérez de Cuéllar said after the meeting.

Mr. Pérez de Cuéllar, both foreign ministers and their senior aides attended the hourlong meeting Tuesday evening, during which both officials spoke to each other directly for the first time since they signed a truce ending eight years of war in August 1988.

Foreign Minister Tariq Aziz of Iraq said after the meeting that the encounter was a cordial and constructive one, adding that "we are working on the summit and this meeting has helped in that sense."

It was the first time since the Gulf war, in which an estimated million people died, that direct talks have been held between such high officials from the two countries, widely viewed as the dominant military powers in the Gulf region.

In the four rounds of peace talks that preceded the meeting Tuesday, Iranians and Iraqis addressed each other through the UN representatives and by all accounts made little progress in settling their deep differences over common borders and the exchange of the 100,000 prisoners of war they both hold.

UN officials as well as the Iraqis and Iranians all said in private that the development Tuesday's was particularly significant because it followed a string of gestures that have loudly signaled the desire of both countries to sign a peace treaty.

Among other things, delegations from both Iran and Iraq have held several secret bilateral meetings over the past few weeks in Vienna and possibly Geneva, according to several officials who asked not to be identified.

These talks followed a highly unusual exchange of letters between Mr. Hussein and Mr. Rafsanjani about two months ago that was described by Mr. Pérez de Cuéllar as an extremely positive movement.

UN officials and Arab diplomats here also noted in private that what they described as regional conditions in the Middle East have persuaded both countries that it is time to end their conflict.

Among these is the apparent withdrawal of both superpowers from backing one side against the other, and the rising tone of the confrontation between Israel and Iraq that has led Mr. Hussein to threaten to "burn half of Israel."

Arab and UN officials said that Iraq has scored major gains in prestige within the Arab world with its tough stand against Israel at the meeting of Arab leaders in Baghdad a few weeks ago, allowing the Iraqi regime to make some concessions in its talks with Iran.

Iran, according to officials, has vastly improved its ties to the international community, particularly after the devastating earthquake it has suffered, thus strengthening Mr. Rafsanajani in his confrontation with extremist elements in his government who oppose any relaxation of tensions with the West and Arab Gulf countries, including Iraq.

In the past week, for instance, Iran accepted medicine and other emergency supplies from Iraq, allowing Iraqi planes to land in Tehran for the first time in more than a decade.

"Although the two countries' differences are serious and deep, they are not insoluble," Tehran radio said in a commentary on the Geneva talks on Monday, monitored in Nicosia by Reuters.

Bush Sees 'Wide Acceptance' of His NATO Plan

By Andrew Rosenthal
New York Times Service

KENNEBUNKPORT, Maine — President George Bush said Tuesday that his proposals for revamping the military strategy of the North Atlantic Treaty Organization have been "getting wide acceptance" among the Western allies in advance of the alliance meeting on Thursday and Friday in London.

Finishing a five-day vacation here before heading to London on Wednesday, Mr. Bush said he was willing to do "certain things" to reassure the Soviet Union that the continued existence of NATO, with a united Germany as a full member, was not a security threat to Moscow.

To that end, he and his top aides have been putting the final touches on a set of proposals for the NATO meeting that will begin the process of revising the alliance's doctrine to take account of the changes in Eastern Europe.

One of the central ideas in Mr. Bush's proposals, which were sent to the allies Friday, is to modify NATO's primary military doctrine, called "flexible response," which uses the threat of a nuclear attack by NATO to deter a Soviet invasion of Western Europe.

With the administration acknowledging that the chances of an attack are greatly diminished, Mr. Bush's suggestion is for NATO to revise the policy to make clear that nuclear weapons would only be used as "a last resort."

"I think the general approach that we're proposing seems to be getting wide acceptance," he said.

Asked why NATO had to go out of its way to reassure the Soviet Union of its benign intentions, Mr. Bush said, "I think as things change we want to be sure that everybody understands that NATO is the stabilizing factor that we think it should be and will be. We don't have to assure them of anything, but I want them to understand the facts."

Mr. Bush's national security adviser, Brent Scowcroft, told reporters that the United States had received preliminary reactions from five or six of its allies, which he declined to list.

Declining to discuss Mr. Bush's proposals in detail, he said there so far was no real sentiment in the alliance for going one step further and declaring that NATO would not make "first use" of nuclear weapons, a declaration the Soviet Union has long sought.

"We think that fundamentally undercuts the basis for deterrence in Europe," he said. "And I think time and time again we've seen, especially in Europe, that conventional deterrence is an inadequate reed to lean on, even where the preponderance of forces doesn't seem to be favorable to an attack."

He added, "So no first use, we think, is an unacceptable doctrine."

NATO: *A Pivotal Post-Cold War Summit Meeting Opens Later This Week*

(Continued from page 1)

in opposing steps that would limit NATO's freedom to use nuclear weapons by hinting at a NATO shift to a doctrine of "no first use."

As military reassurance for Moscow, NATO plans to cut the overall numbers of German and allied troops drastically in Germany — a step that many Western officials believe is the key to Soviet agreement on much smaller forces throughout Central Europe and on German reunification.

A smaller U.S. contingent in Germany, partially melded into multinational NATO forces, appears likely to be politically attractive in Europe and satisfactory to defense budget-cutters. In place of a large U.S. standing force in Europe, the Pentagon now plans a "regeneration strategy" based on new systems for bringing troops quickly from the United States.

All these NATO changes are meant to take shape "as a process, not a turnaround overnight," a Western official said, because most NATO governments want to keep pace with Soviet redeployment rather than get out in front of it.

Western leaders hope that the NATO meeting will have an immediate impact on the six-power talks about Germany's future and on the Vienna meetings, so that German reunification issues can be settled in time for the CSCE summit conference scheduled Nov. 19.

Washington is working to dissuade EC governments from preparing their position entirely among themselves and not in consultation with NATO's 16 nations.

Most NATO governments oppose West German and French ideas of building up the CSCE's role in security affairs, beyond creating a small bureaucracy intended to play a mediating role in defusing ethnic tensions and promoting human rights in Europe.

But Western leaders, who once talked about a new architecture for European security, now envisage NATO as part of a patchwork of many organizations.

For example, the NATO meeting will propose a common declaration by governments disavowing aggressive intentions in Europe, probably suggesting that it be signed individually by countries, not as members of an alliance, but at the 35-nation CSCE summit meeting.

Leaders in London are expected to skirt the prickly issue of a Western aid package to the Soviet Union, leaving it to the G-7 summit meeting on July 10.

The United States, Britain, Japan and reportedly the European Commission oppose large-scale aid before Moscow has made economic changes enabling it to be effective.

But West Germany, which already has started extending credits to Moscow, contends that aid now is important to saving Mr. Gorbachev's programs.

France has backed Bonn's view, diplomats said, largely because officials in Paris have become increasingly skeptical of the Bush administration's ability to influence a united Germany.

"U.S. policy is still too heavily committed to anything that the Kohl government says will help get it re-elected," a French official said.

While Chancellor Helmut Kohl's center-right coalition government has vowed to keep NATO strong, many French officials and some U.S. diplomats have expressed concern that, after reunification, German pressures will combine with congressional pull to undermine the U.S. role in Europe.

For that reason, French officials say privately, the Paris government has sought to align itself more closely with Bonn and still declines any major commitment to NATO beyond promising to take part in the alliance's strategic review.

CONGRESS: *Ligachev Attack*

(Continued from page 1)

Marxist-Leninist and denounced a limited experiment with private property as ideologically unacceptable.

He also took issue with Mr. Gorbachev's position that fundamental changes in land ownership rules were required to make Soviet agriculture productive, insisting that the principal problem was a lack of resources.

Following Mr. Ligachev onto the podium, Mr. Shevardnadze defended the Kremlin's decision last year to allow the satellite nations to go their own way.

He said that Soviet policymakers had been fully aware that such a stand was likely to result in the overthrow of "alien, totalitarian regimes" and the collapse of the Warsaw Pact.

"We forecast this, we felt all this," the foreign minister told the delegates in his first public statement on the Kremlin's role in facilitating the peaceful revolution in Eastern Europe.

"We felt that if there were not serious changes in the East European countries, the matter would end in tragic events."

Mr. Shevardnadze said that the policy of good relations with the West would ensure the Soviet Union a "peace dividend" of 240 to 250 billion rubles — or half the annual budget — over the next five years.

He said that his research into Foreign Ministry archives suggested that the country had spent 700 billion rubles more than was necessary in the 1970s in order to achieve military parity with the United States.

"Squandering a quarter of our budget on military expenditures, we ruined the country," he said. "If things went on like this, we would have no need for defense, as a ruined country and an impoverished people have no need for an army."

Several thousand demonstrators waving pre-evolutionary flags and chanting "shame, shame" staged a protest rally in Gorky Park on Monday evening to call for the dismantling of Communist Party power.

In his speech, Mr. Shevardnadze indicated that he would like to withdraw from active participation in Communist Party affairs, saying that he did not feel that it was necessary for the foreign minister to be a member of the Politburo.

Another Gorbachev ally, Alexander N. Yakovlev, suggested Monday that he may soon retire from party politics, saying that the congress would be his last.

CALIFORNIA: *Bitter Dividend*

(Continued from page 1)

1984 Olympic Games here, the area blossomed well beyond its origins in the entertainment industry. By 1988, the Defense Department was spending one-fifth of its budget, $57.2 billion, in California.

Those programs, in turn, generated a galaxy of more than 10,000 subcontractors.

The basin's economy was further stimulated by a surge in foreign and domestic migration to the region. In the last decade, its population grew at more than twice the national rate, to 14.1 million from 11.5 million. This made it more populous than all states but California, New York and Texas.

The area's commercial ports of entry became the nation's main funnel for cars, trucks, stereos and other products from Japan, South Korea and the rest of the Pacific Rim. International trade tripled in value over the decade, to $101.4 billion in 1989, which made Los Angeles the second-busiest customs district after the New York-New Jersey area, with $117.8 billion in 1989.

The once-sleepy downtown of Los Angeles exploded under a construction boom; Japanese interests owned 30 percent of the skyline's newer structures.

But the tremors caused by world events have shaken the region. Among the projects under the scrutiny of Congress and the Bush administration: the C-17 cargo plane meant to ferry American troops to Europe, which is being developed by McDonnell Douglas in Long Beach; the Stealth bomber, which is being built by Northrop, and research on the Strategic Defense Initiative, known as "star wars."

In all, 10 military bases and installations have been marked by the Defense Department as candidates for closure or staff reduction.

And San Diego was shaken in June when Defense Secretary Dick Cheney proposed eliminating 20 ships, or almost one-fourth of the navy fleet stationed there, including 11 of 15 nuclear-class attack submarines.

The ultimate question is whether military contractors can convert to peacetime pursuits. Mayor Larry Agran of Irvine, in Orange County, has proposed having contractors build a $250 million, four-mile monorail in the city.

Ruth Galanter, a Los Angeles City Council member, has established a committee to explore the creation of an electric-car manufacturing industry, with backing from the machinists union.

But such efforts in the past have largely failed. After the Vietnam War, Lockheed tried to diversify into education and computer services, Rohr Industries of Chula Vista tried building subway cars and the Grumman Corp. of Bethpage, New York, tried to build city buses.

"We all failed," said Harry R. Biederman, an economist who retired recently after 35 years with Lockheed in Los Angeles. "Defense engineers are brought up in an environment not like the commercial one."

"Nobody has been able to define what conversion means," said Stephen E. Chandet, a Lockheed official. "We will build to our core technologies. We are not going to make streetcars or Walkmans."

VOTE: *Joint Elections Set Dec. 2*

(Continued from page 1)

West German parties were jockeying over whether having East Germans join in voting for a single parliament would help or hurt their respective causes.

The opposition Social Democrats, who expect to win substantial support from East Germans worried about rising unemployment, want all Germans to vote together.

Mr. Kohl's Christian Democrats, wary of being blamed for what they say will be short-term economic problems in the East, want the countries to vote on the same day but for separate parliaments that would be subsumed into one, Western-dominated body shortly after the election.

Despite its alliance with the Christian Democrats, the freely elected East Germany government has shown signs of independence but so far has been unwilling and unable to push a new Germany into adopting East German laws or customs.

The new round of negotiations is expected to end with a united Germany adopting nearly all aspects of West German law.

A few disputed issues — including whether to situate the capital in Bonn or Berlin — may be put off for discussion by a joint parliament next year.

To many Germans, the final political act of reunification will only be the official icing on a cake served up Sunday, when the two economies became one.

Despite scattered warning strikes by East German workers seeking protection against the expected collapse of the country's industrial base, the economic union continued to go smoothly Tuesday. Shoppers were cautious and the mark remained strong on world markets.

Romania Will Try 83 for June Riots

Reuters

BUCHAREST — Romania said Tuesday that at least 83 people will stand trial for involvement in last month's political violence in Bucharest.

It also said that six people killed in the June 13-15 riots died before pro-government miners arrived on the scene. A Foreign Ministry statement absolved security forces from responsibility for three of the deaths caused by gunshot wounds, saying they had only blank ammunition.

The statement appeared to be part of a campaign by Prime Minister Petre Roman's government, sworn in Tuesday by President Ion Iliescu, to repair the damage caused to Romania's international reputation by the use of force to put down anti-government demonstrations.

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Zambia's Kaunda, Beset by Unrest, Faces Darkest Days

By Neil Henry
Washington Post Service

LUSAKA, Zambia — When rioters rampaged through this southern African capital last week to protest government-ordered increases in the price of food, one of the first targets of their rage was a little stone house in a part of the city known as Chilenje.

Dozens of rioters stormed it, prying open a steel fence, shattering windows and dishes and setting furniture and cars ablaze.

The building was the former home of President Kenneth Kaunda. Mr. Kaunda, the nation's first and only president, helped lead the struggle for independence from Britain in 1964.

> **'He comes from an age when political authoritarianism and single-party rule were justified by African rulers on many grounds.'**
> *Claude Ake, a political economist*

Twenty-six years later, the ruins testified to the discontent many Zambians feel over the leadership of a man commonly known as K.K. and considered one of the founding fathers of modern Africa.

These are some of the darkest days in the long political life of Mr. Kaunda, 66. His decision to more than double the price of cornmeal and other commodities in an effort to repair Zambia's woeful economy led to riots in which at least 23 people died.

Zambians now must pay more than $7 for a 25-kilogram (55-pound) bag of the meal, which can last a family about two weeks, up from $3.50. Most Zambians earn less than $300 a year.

The crisis inspired an army lieutenant to take over Radio Zambia for several hours Saturday and announce — inaccurately — that Mr. Kaunda had been overthrown.

While the coup attempt was easily crushed by security forces, it aroused a stunning response in the streets. Upon hearing that the military had overthrown Mr. Kaunda, hundreds of people marched to the city center and cheered.

"It was extraordinary, the feelings that poured out when people thought the old man had been overthrown," said a Western diplomat. "I think it indicates how deeply the people want change of any kind."

The price increases are part of a series of changes intended to liberalize the economy, cut government spending and attract funds from the World Bank and International Monetary Fund.

But in a larger sense, the turmoil in Zambia revolves around the nature of political leadership and single-party rule in a country long dominated by one man.

From complaints about food costs the protests have spread to demands for political change. "K.K. Must Go!" and "Away With One Party!" proclaim hand-scrawled signs in the capital.

In the nearly three decades since Zambia's independence, Mr. Kaunda has shaped southern African history by helping other nations attain independence.

"From the beginning Kaunda has been committed to the liberation of Africa from the colonial past," said Claude Ake, a political economist from Nigeria.

But, Mr. Ake said, there is another side to Mr. Kaunda. "He comes from an age when political authoritarianism and single-party rule were justified by African rulers on many grounds relating to stability."

Mr. Kaunda's style, so effective in Zambia's foreign affairs, has helped create the economic crisis at home.

A longtime believer in centralized planning, Mr. Kaunda until recently had pursued policies that resulted in state control of 90 percent of the economy. Zambia also has the highest per-capita foreign debt — $1,000 — of any country in sub-Saharan Africa. Nearly half of Zambia's 7.6 million people live in urban areas.

Mr. Kaunda declared Zambia a one-party state in 1972 and proceeded to gain almost complete control of the party. As the country stagnated politically, many high officials, unconcerned with accountability, were accused of corruption. An analyst estimated that 80 percent of the country's annual output of diamonds and minerals is smuggled from the country illegally.

Plummeting world prices for copper forced Zambia to step up its already heavy foreign borrowing to subsidize its economy.

Yet Mr. Kaunda, a gentle man given to quoting the Bible and to weeping during speeches, has survived the steady descent, primarily by following the political course most popular with the people.

In 1986, when Zambians rioted in response to austerity measures encouraged by the IMF, Mr. Kaunda won praise by suspending payment on the country's foreign debt and rejecting the IMF, seen by many in Africa as an agent of neocolonialism.

But now, Mr. Kaunda is insisting that the IMF-style changes have come to stay. He also has promised to hold a referendum in the fall on whether to allow more political parties to compete for power.

Through it all, many Zambians seemed to share the contradictory sentiment expressed by a teacher in Lusaka this week: "I think we need new leadership badly, but I can't imagine what Zambia would be like without Kaunda."

Chester Higgins Jr./The New York Times

Mrs. Marcos kneeling at St. Patrick's after her acquittal.

Marcos Acquittal: A Muddle for Manila

By Keith B. Richburg
Washington Post Service

MANILA — The acquittal of Imelda N. Marcos of fraud and racketeering charges in the United States has further muddled the confused Philippine political picture, again raising fears of instability and dealing yet another setback to President Corazon C. Aquino, according to Philippine and foreign analysts.

The jury verdict was greeted with surprise and dismay by government officials, and with ebullience by Mrs. Marcos's supporters. Opposition politicians predictably hailed the ruling as "a slap in the face for the Cory administration," in the words of a former assembly member, Homobono Adaza.

The verdict immediately set off intense speculation over what role Mrs. Marcos, the once-powerful wife of the late president, Ferdinand E. Marcos, might play in the Philippines' political future.

"She can be a player, with all that money, and with Northern Luzon still sympathetic to the Marcoses," said a newspaper columnist, Teodoro Benigno, a former Aquino spokesman. "Politics is in a state of flux," he added. "She has a name, she has allies, she has a lot of money, and she has some sympathy because of her acquittal."

Some analysts speculated on a possible upsurge in political violence and further military unrest. "I don't know what her motives are," said a Western diplomat, "but if Imelda is revenge-minded, she can now use some of her illegal loot to fund right-wing activity here."

The acquittal has also seriously complicated the Aquino government's efforts to pursue its own legal cases against Mrs. Marcos, who was accused, with her husband, of looting $10 billion from the Philippine treasury and stashing much of it in Swiss bank accounts and real estate abroad.

The government has 33 corruption charges pending against Mrs. Marcos but has been reluctant to charge formally her since that would entail allowing her to return to the Philippines to defend herself.

President Aquino still maintains that even after four and a half years in exile, Mrs. Marcos could still evoke enough sympathy and support among loyalists — particularly those in the military — that security would be jeopardized if she returned.

The president said Tuesday that the ban against Mrs. Marcos's return would remain in effect despite the New York verdict. "The acquittal does not alter the national interest and security grounds on which we premised our decision," Mrs. Aquino said.

Later, after a cabinet meeting, she reiterated that the ban would remain. "The return of Mrs. Marcos would enable her to mobilize the underground network of the Marcos dictatorship, which is designed to overthrow this government and endanger our democratic gains and economic momentum," Mrs. Aquino said.

Without offering any specific evidence, Mrs. Aquino said Mrs. Marcos "encouraged and supported" the December coup attempt by thousands of rebel soldiers.

But several leading politicians said that in light of the verdict, it may be time to allow Mrs. Marcos to return to face criminal trial. The Senate president, Jovito R. Salonga, said that allowing Mrs. Marcos to come back would be a good test of the country's new legal system. The House speaker, Ramon Mitra, said Mrs. Marcos should return since "it is here in our country where she should have been tried in the first place."

Close associates of Mrs. Marcos said her next legal step will be to petition the Philippine Supreme Court to reconsider its October 1989 ruling that upheld the travel ban.

Some here said that Mrs. Marcos was likely to make a new effort to play a key role behind the scenes in picking a successor to Mrs. Aquino, who has repeatedly pledged not to run again for election when her six-year term expires in 1992.

"I don't think Imelda will run for president herself — but it's not improbable for her to become one of the kingmakers," said Mr. Adaza, a frequent Aquino critic. "This is a major shot in the arm for the loyalist forces."

Swiss Calls Verdict Irrelevant to Asset Quest

Compiled by Our Staff From Dispatches

BERN — Imelda R. Marcos's acquittal by a U.S. court has no legal effect on Swiss proceedings in which the Philippines hopes to recover assets allegedly stashed by former President Ferdinand E. Marcos, a Swiss official said Tuesday.

The spokesman for the Justice Department said, "it would be wrong to conclude from the acquittal in New York that Swiss judicial aid to the Philippines is not permissible."

Switzerland has granted judicial assistance to the Philippines government of President Corazon C. Aquino in its quest to recover through Swiss courts allegedly vast "ill-gotten gains" that the Marcos family purportedly deposited in Swiss accounts.

But appeals by Marcos lawyers have prevented any return of money or handing over of bank documents since Mr. Marcos was deposed and forced to flee his country in February 1986. He died last year.

Because of the acquittal, Mrs. Marcos no longer is restricted by a pending criminal complaint, but she still is not free to leave the United States. She remains subject to an Immigration and Naturalization Service hold order issued in 1986.

Marcos attorneys in Switzerland said the New York court's ruling appeared to back their argument that Mrs. Marcos could not be held responsible for alleged crimes by her husband.

The Swiss accounts under scrutiny in the case are believed to contain several hundred million dollars. The Philippine government originally spoke of billions.

In Manila, financial investigators said Tuesday that the acquittal would have little effect on their efforts to recover the Marcos family's worldwide fortune.

David Castro, of the Presidential Commission on Good Government, said the New York ruling was "just a minor incident" in Manila's efforts to confiscate the fabled billions.

The government of Mrs. Aquino has alleged that, during their 20-year rule, the Marcoses took up to $10 billion from the treasury to put in secret bank accounts and to buy property abroad. *(AP, AFP)*

Did Trial Belong in U.S. Courts? No to a Nagging Question

By William Glaberson
New York Times Service

NEW YORK — From the start of what was to have been the prosecution of Ferdinand E. Marcos, one question hung like a shadow over an ambitious team of federal prosecutors: did the case belong in U.S. courts?

The verdict Monday was the jurors' answer. As Thomas O'Rourke, one of the jurors, said after the verdicts ended the three-month trial, "It was on the wrong side of the ocean."

No matter how the prosecutors struggled through scores of witnesses and tens of thousands of pages of documents in their case against the former president's widow and her wealthy friend, Adnan M. Khashoggi, the prosecutors' case was not easily understood as a story about crime in New York.

It was instead a tale about a head of state whose crimes, if there were crimes, had most to do with violating the trust of the people he ruled and, the federal prosecutors said, robbed.

"People say, 'There's so much going on in Queens where I live, why are we worrying about this case?'" said Andreas F. Lowenfeld, a professor of international law at New York University law school.

That central weakness in the prosecution amplified all the other questions raised in the rambling defense presented by Gerald Spence, the chief lawyer for Mr. Marcos' widow, Imelda.

He decided not to call any witnesses to rebut the prosecutors' charge that the Marcoses looted the Philippines and then

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defrauded the American banks with which they dealt as they tried to protect their illicit fortune through American investments.

Instead of fighting the prosecution's case, Mr. Spence seemed sometimes to be riding it, letting the weaknesses of the case expose themselves.

It was enough for the defense merely to suggest that Mr. Marcos was just doing "what the CIA told him to do" in the fight against Communists when he took millions of dollars from his country and squirreled it away in American banks.

The idea, Mr. Spence told the jurors, was for forces friendly to the West to be prepared to recover power in the event the insurgents succeeded in Manila.

Mr. Spence made news at the beginning of the trial, saying President George Bush had urged Mr. Marcos to invest in U.S. real estate with his hoard because "he didn't want the Marcoses to deal with Gadhafi," the Libyan leader. But the link to the president remained no more than a suggestion.

There were other suggestions, too, from the defense table that appeared aimed mostly at exploiting the central weakness of the prosecution's case.

Mrs. Marcos, Mr. Spence conceded, was a "world-class shopper" — a fact that anyone who is at all interested in shoes already knew. But that, he said, did not mean that she knew the source of her husband's wealth.

The she-was-just-the-little-woman defense hit home, interviews with the jurors showed. Partly, it seemed, because it highlighted Mr. Spence's suggestion that Mrs. Marcos was frail and far from home.

There were bitter fights early in the case as Mr. Marcos checked in and out of hospitals in Hawaii, about whether it was right for the U.S. government to try an ailing former ally.

But that criticism grew after the death of Mr. Marcos last September, and prosecutors in New York decided to proceed against his widow, who had long been portrayed by the Marcos regime as the Philippine president's full partner.

Again, Mr. Spence did not need much ammunition to hurl at the prosecutors. "Of course she knew," about her husband's misdeeds was the assertion of the prosecutor, Charles LaBella, in his closing statement to the jury.

With all the piles of Philippine documents collected in the case, Mr. Spence said in his closing statement, "of course" was not enough of an answer.

The jurors agreed. The prosecutors should have dropped their novel case against a former ally when he died, said Mr. O'Rourke. The jury forewoman, Catherine Balton, said, "We didn't feel that we could convict the woman just because she happened to be married to a person who might have been guilty."

Legal experts who watched the case said the jury's verdict was a reminder of the fundamental legal lesson that each country is sovereign and separate. That means, they said, that each country is responsible for finding solutions to its own problems.

Commenting on the case, a prominent defense lawyer, Stanley S. Arkin, said it was a stretching of the laws for U.S. prosecutors from the start because it had so little to do with the United States.

The jurors, he said, looked beyond the prosecutors' "costumery" that he said they used to try to make what might have been a crime in Manila look like a crime in New York.

For Mr. Khashoggi, a merchant once said to be one of the world's richest men, the lesson was an expensive one.

He said that his legal defense had cost him $6.5 million and that the case had led to a "pause" in his business.

In recent years he has suffered financial setbacks that are said to have pulled him from the ranks of billionaire to mere multimillionaire.

Still, there was enough money left after the verdict Monday night for two bottles of Dom Perignon champagne, chilling in buckets in the living room of his Fifth Avenue duplex.

He told reporters he would "miss" the electronic device around his ankle that the government used to keep tabs on his whereabouts, but that his daughter may put it on auction.

As Minarets Sprout, Beijing Faces a 15-Million-Strong Challenge to Authority

New York Times Service

WUZHONG, China — "God is great!" begins the muezzin's cry, and the men put down their cups of sweet tea and amble toward the nearest mosque to join a rising tide of Islam, which is as evident as the minarets speckling the countryside here in northwestern China.

"Many new mosques are being built and more and more people are active in the mosques," Ma Jingxiao, 55-year-old patriarch of a peasant family of 16, said as he sat cross-legged on the platform bed of his home on the outskirts of this county town.

"More people are attending prayers, more are going to the mosques to study the Koran and more are going on pilgrimages to Mecca."

Mr. Ma was quick to thank the government for the help it has given to Islam. But there are hints that growing assertiveness among China's 15 million Muslims could create problems for the hard-line Beijing government.

By far the most worrying indication was an uprising in April by militants in the far-western province of Xinjiang that left at least 22 dead. Details are sketchy, but the Xinjiang press is apparently taking the danger seriously. The newspapers are full of denunciations of this "extremely serious incident" and have quoted officials as saying the main risk to Xinjiang's stability comes from "separatist forces at home and abroad."

The authorities in Xinjiang refused to let a reporter visit, saying the time was inappropriate. But officials here in the Ningxia Autonomous Region, another center for Muslims in China, did allow a correspondent to visit and permitted access to local Muslim leaders. Of Ningxia's population of 4.4 million, a third are Muslims.

The rising influence of Islam and other religions could pose a long-term challenge to the government, Western diplomats in Beijing say. For 40 years China has had no social institution that could provide alternative views or that could serve as an organizational base for dissidents.

So far, Chinese officials in this desert region along the upper reaches of the Yellow River seem undisturbed by the new interest in Islam. They deny that the rise of religion could contribute to the party's downfall.

"China still has only one sun, and that's the party and the government," said Bao Wanguo, a director of religious affairs here in Ningxia.

It is true that Muslims like Mr. Ma say unanimously that the fervor of Xinjiang has not reached Ningxia and that fundamentalist or militant Islam is unknown here. Muslim uprisings have not occurred here since the 1930s. In Xinjiang, there were uprisings in the 1960s and there have been nonviolent protests there since then.

"Xinjiang and Tibet are the rebellious places, while Ningxia is more peaceful," said a Chinese worker who spent many years in a small town near here. "The Muslims of Ningxia are a minority and they wouldn't dare do anything even if they wanted to."

Ningxia is different from Xinjiang in another respect. Unlike the inhabitants of Xinjiang, who belong to distinct ethnic minorities and speak languages similar to Turkish, the Muslims here speak Chinese as their mother tongue and are sometimes indistinguishable from the Han, who make up 93 percent of all Chinese.

While no one interviewed in Ningxia predicted unrest in the short term, there are indications that Islam is gaining importance in the region and could pose a challenge in the long run. This year, for example, 101 Muslims from Ningxia were in Mecca for the annual pilgrimage, compared with 76 last year.

The province has a record 2,400 mosques now, and more are being built. There are 2,900 imams, or religious leaders, and 5,000 young people are studying to be imams.

To be sure, young Muslims in the cities rarely attend Friday prayers, and the increasing influence of Islam is gradual. But even young Hui who do not attend regular prayers almost never marry non-Muslims, and the Islamic ban on pork and alcohol seems to be widely observed. Moreover, almost all Hui take part in the daylight fasting that marks the month of Ramadan.

One sign of the growing assertiveness of China's Muslims came last year when protests erupted over the publication of a book, "Sexual Customs," that was accused of demeaning Islam. The protests were orderly, and the government responded immediately by banning the book and punishing the author and publisher.

Here in Ningxia, some Muslims cite that incident as an example of the government's responsiveness to their concerns. They also point to other examples of favorable treatment for the Hui minority to explain the lack of antagonism toward the authorities.

"We have no need for an Islamic country or Islamic law," said Xie Shengling, president of the Ningxia Islamic Association and imam at the Yinchuan Central Mosque. "The government already gives a lot of benefits to Muslims, in education, agriculture and the economy."

Hui, for example, are allowed to marry two years earlier than Han and are permitted two or three children — one more than would be possible if they were Han.

—NICHOLAS D. KRISTOF

Koreas Take an Upbeat Step

At Panmunjon, Date Set for Prime Ministers' Meeting

By Peter Maass
Washington Post Service

SEOUL — North Korea and South Korea took an important step Tuesday toward arranging a meeting of their prime ministers, but their plans could fall apart over unresolved issues or mutual distrust.

Resuming talks that were broken off in February, negotiators agreed to sign an accord by July 26 setting the agenda and date for the meeting.

The session, which would be the first high-level contact between the Koreas since 1972, could take place in Seoul by the end of August, South Korean officials said.

The meeting Tuesday at Panmunjom was unexpectedly brief — about an hour — and lacked the usual diatribes that often constitute inter-Korean dialogue.

The North Korean negotiators approved the timetable after the South Koreans made a key concession by agreeing to place arms control and other military issues at the top of the agenda.

"It's natural that the talks have been settled because we showed concessions and North Korea faces problems at home and abroad," said Song Han Ho, South Korea's chief negotiator.

North Korea's negotiator, Paik Nam Jun, was also upbeat, saying, "Progress made in this preparatory meeting will serve as a landmark for reunification and mark a historic turning point."

In South Korea, the stock market surged as newspapers reported a potential breakthrough in relations.

Since the Korean War ended in 1953, there have been no exchanges of mail or phone calls, and just a few separated families have been reunited.

The optimism may be short-lived. During their four decades of hostility, the two Koreas have neared agreement on important exchanges but then backed off once sensitive issues were raised or once one side felt it was being lured into a propaganda trap.

The previous high-level contact — when South Korea's intelligence chief made a secret trip to North Korea in 1972 — led nowhere.

"The two sides are far apart on some issues," a government official said. "It's difficult to expect a breakthrough."

He noted that although South Korea had broadly agreed to include military issues on the agenda, there was little common ground between each side's arms-control proposals.

South Korea insists that confidence-building measures be undertaken before military reductions.

North Korea wants to reduce soldiers and weaponry first and demands that the annual U.S.-South Korean military exercises be canceled and U.S. troops be withdrawn from South Korea.

Still, the climate for a North-South reconciliation now appears better than ever, mainly because of new international pressure on North Korea.

In a major diplomatic rebuff to the North, President Mikhail S. Gorbachev of the Soviet Union met President Roh Tae Woo of South Korea last month. As a result Seoul and Moscow are headed toward full diplomatic ties.

South Korea's trade with China, North Korea's other key ally, is booming but Beijing is less willing to publicly rebuke one of its last ideological supporters.

Nonetheless, China is believed to be quietly supporting what the Soviet Union is calling for — the end of North Korea's hostile stance toward South Korea and the United States.

Washington and Pyongyang have begun modest diplomatic contacts in Beijing that led in May to the first exchange of American remains from the Korean War in more than three decades. South Korea is offering economic exchanges and aid to North Korea.

Yun Jai Hyoung/The Associated Press

Song Han Ho, left, of South Korea and Paik Nam Jun of North Korea at Panmunjon on Tuesday.

China and Indonesia Agree to Restore Ties

By Nicholas D. Kristof
New York Times Service

BEIJING — China and Indonesia signed an agreement on Tuesday to restore diplomatic relations next month, marking the end of a 23-year rift between the two most populous nations in East Asia.

Both sides described the agreement as of "historic significance" and said they hoped it would contribute to peace and stability throughout the Pacific region.

The agreement is expected to lead to increased trade between the two countries, to further discussions aimed at resolving the war in Cambodia, and to an accord to establish diplomatic relations between China and Singapore.

Prime Minister Li Peng will travel to Jakarta to mark the resumption of relations on Aug. 8. For him personally and for China's diplomacy as a whole, the agreement is a rare bright spot in a year that has been characterized by isolation and invective since the army crackdown in June 1989.

Yet the accord also puts the seal on China's repudiation of its former program to export revolution to other parts of Asia and the world. It was China's alleged support for a Communist-backed rebellion in Indonesia in 1965 that led to relations being suspended two years later. Until then, China and Indonesia had enjoyed close relations.

It was partly because of the rift with Indonesia that China reconsidered its attempts to spread revolution, and in a press conference Tuesday, Foreign Minister Qian Qichen seemed much more interested in exporting goods than revolution.

He said that he had no idea whether Indonesia still had a Communist Party — and his tone seemed to imply that he did not much care, either.

Indonesia's foreign minister, Ali Alatas, said that a new trade agreement was already under way to bolster two-way trade, which was valued at $920 million last year.

The People's Daily had earlier called Mr. Alatas' visit — the first by an Indonesian foreign minister since relations were frozen in 1967 — a "great event." The Chinese press has not explained the reason for the rupture of relations in the 1960s, attributing it to "some complicated historical causes."

The agreement follows more than 16 months of negotiations that followed a surprise meeting between Mr. Qian and Indonesia's president, Suharto, in Tokyo on Feb. 23, 1989. The two men then agreed to work toward normalization of relations.

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Lithuania's Sidestep

Lithuania's decision to freeze its declaration of independence resolves a crisis that at one time appeared capable of undoing Mikhail Gorbachev, burying Lithuania, touching off a string of Soviet nationality convulsions and curdling East-West détente. Scenarios of ever-tightening confrontation were pushing possibilities of accommodation to the side.

Fortunately, a better way was found. Urged on by the West, Mr. Gorbachev and the elected leadership in Lithuania opened a dialogue. Positions softened. Now the Lithuanians have declared a moratorium on their independence, and the Kremlin has ended its economic boycott. Faces having been saved, negotiations on the terms of Lithuanian independence can begin.

Has a pattern been set for other Soviet nationalities? As goes Lithuania, so likely will go Latvia and Estonia. Baltic-Kremlin precedents on such central issues as federal or confederal relations, economic arrangements and treatment of minorities (Russians in Lithuania, for instance) will be studied closely across the Soviet land.

But Baltic-like independence demands are not likely to come in the same way from Transcaucasian and Central Asian places of different national backgrounds. The three largest republics — Russia, Ukraine and Byelorussia, comprising 70 percent of the Soviet population — share a common Slavic bond. The central authorities and the nationalities will be sorting out their affairs for decades — by talks and political deals, perhaps by shows of force, economic pressure and appeals to an international gallery as in Lithuania, perhaps by ethnic bloodshed and state violence, as seen in other Soviet parts.

On the evidence of Lithuania you could not say that the disintegration of the Soviet Union has been averted. On the contrary, a "Who lost Lithuania?" school, which can be expected to be heard at the current Communist party congress, claims disintegration has been encouraged. But things are not so simple. Once the Kremlin eased the central controls that had suppressed ethnic expression for most of the 70-odd Communist years, Soviet peoples were bound to start catching up with the demands of ethnicity that have been the global currency in that time. This is the painful and serious process the country is going through now.

— THE WASHINGTON POST.

Equality Reaffirmed

The Supreme Court ended its term last week with a stunning reaffirmation of Congress' power to keep the constitution's promise of equality. For the sake of diversity, and not merely to remedy past discrimination, Congress may help minorities win a greater share of federal benefits.

Specifically, a modest government affirmative action program, helping minorities get broadcast franchises, is valid in pursuit of more diverse ownership that may enhance the variety of radio and television programming. The 5-to-4 decision in Metro Broadcasting v. FCC means the Federal Communications Commission can ease the entry of minorities without going through a painful, possibly unproductive process of identifying and blaming those who caused the industry's pattern of 99 percent white male ownership.

During the Carter administration, the commission adopted a policy of giving minority and female applicants an edge, but by no means a decisive edge, in competing for new broadcast frequencies. It also gave minorities an exclusive right to buy, at distress-sale prices, franchises offered by owners in danger of losing their licenses.

Subsequently, Reagan appointees to the FCC denounced the policy as discrimination against whites, but before they could scrap it, Congress protected it by law. Under last year's ruling against racial set-asides for construction in Richmond, Virginia, cities and states would have a hard time justifying such special treatment.

But Congress is different. As Justice William Brennan held for the court, it has special powers over such commerce, including the power to enforce the 14th Amendment's guarantee of equal protection of the laws.

Such power does indeed carry the danger of reverse discrimination, and the four dissenters charged that the danger had been realized. Justices Anthony Kennedy and Antonin Scalia called the majority's decision a revival of the court's separate but equal doctrine that prevailed between 1896 and 1954. They likened the FCC's racial classification to South Africa's apartheid laws.

The court that refused to dismantle America's apartheid in 1896 was blind; justices who cannot see the difference between the FCC and white domination in South Africa have their own perception problems. Americans know that declaring society should be color-blind is to pronounce victory in a war on racism that is far from over.

The FCC program represents no unconscionable favoritism; even with it, over two decades, minority franchise ownership has increased from 1 percent to all of 3.5 percent. Congress seized the opportunity to invest in variety on the broadcast spectrum and in society. That is not only reasonable; as the court decision attests, it is just.

— THE NEW YORK TIMES.

Headway on the Cleanup

In a sudden burst of speed, the federal government has put 155 failed savings and loan out of business in the past three months. That is quite an achievement. Since they were all losing money, that will help to hold down the costs to the taxpayers — costs that will in any case be enormous.

Equally important, the government has finally demonstrated that it is capable of asserting a measure of control over this epidemic of bankruptcies. For the first time since it began, during this three-month surge of activity the government was selling or liquidating thrifts faster than they were going bankrupt. There is still a backlog of 247 savings and loan institutions that have failed and are in the government's hands, and more will fail. But the backlog is now declining. That is real progress.

In the course of extinguishing these 155 thrifts, the government has become the owner of a vast accumulation of their assets — mostly houses, commercial developments and land on which the loans had gone sour. How much are all these assets worth? No one really knows. The federal cleanup squad has a double job — not only to shut down the thrifts that fail but to sell off the mountain of assets. The cost of the whole disaster will depend heavily on the skill with which the federal managers succeed in putting this property back into private hands. In the long history of American finance, there is nothing that quite approaches this operation in its size and diversity.

A little farther down this road lies a choice that will have to be made by the administration and Congress: Does the country want or need a thrift industry? It was originally set up to provide a separate, protected source of financing for home ownership — mortgages for home buyers. Along with all the greed and lobbying and corruption, one ingredient of the savings and loan fiasco has been the frantic efforts of politicians and builders to perpetuate that tradition of preferential lending.

In a time when banks are getting deeply into the business of mortgage lending, the case for a separate system of institutions — the thrifts — is increasingly dubious. The response from the defenders of the thrifts is that banks have many other interests, and will not give precedence to home owners. But there are many other urgent demands on an inadequate supply of capital in the United States, and some of them are crucial to future economic growth. Home buying and real estate development are entitled to equal treatment, but they are not entitled to a priority in the competition for loans.

— THE WASHINGTON POST.

Other Comment

Fire Sale at Jefferson & Co.

The saddest thing about President Bush's little caper in lipreading was that nobody minded. Well, maybe a handful of right-wing ideologues who took his promises seriously, plus Republicans in tight races this year. In Main Street America, they always knew he was lying. The only question was when would he come clean.

Presidential lying now is not just accepted; it's expected. Old smoothie Ronald Reagan helped. Two-thirds of Americans believe he lied throughout about Iran-contra. Yet he left office the most popular president since polling was, alas, invented. Mr. Bush lacks the Gipper's sales skills but benefits from the lower expectations Reagan helped nurture. What profit in making campaign promises realistic and truthful when no one expects them to be kept?

We've always joked about lying politicians but now we see the system itself as so corrupted it's incapable of responding either to the national welfare or public will. Not the way democracy's supposed to work, of course. Explains in part why most of us don't bother to vote. Worth remembering, too, when we want to congratulate ourselves on winning the Cold War. Our system's not as catastrophic as the Soviets', but it's a far cry from what Thos. Jefferson & Co. had in mind that first Independence Day.

— Jim Fain, for the Cox News Service.

George Bush should have invited congressional leaders to fight the November election over a simple question: "Do you want your taxes raised so Congress can avoid tough decisions on spending?" Instead, he has now opened the door to higher taxes and a vote-buying spending spree on Capitol Hill. President Bush has broken faith with the millions of Americans who believed his campaign pledge in 1988. In breaking that tax pledge, Mr. Bush could not have done more to enrage his bedrock conservative constituency had he burned Old Glory in the White House Rose Garden while granting a pardon to Willie Horton.

— Stuart M. Butler, director of domestic policy studies at the Heritage Foundation, writing in The New York Times.

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OPINION

Sit Down at the Table Before the Mideast Storm Breaks

By John K. Cooley

LONDON — After watching three major Arab-Israeli wars, in 1967, 1973 and 1982, and visiting Iraq and Jordan last month, it is easy to hear again the muttering of distant thunder that preceded those wars, just as an overture precedes an opera. This time, truly fearsome weapons, including missiles with chemical or biological or even nuclear warheads, threaten cities and civilians.

Many Christians and Jews, in a Europe no longer threatened by the Soviet Union or communism, suddenly believe they see a new danger: militant Islam. The Muslim world, in Asia and Africa, and its tides of immigrants, these Europeans feel, threaten them as well as Israel.

How does today's Mideast actually compare with that of the 1960s, 1970s or 1980s? Then, as now, many Arab leaders feel they face Israeli expansion. Now, many are tempted to embrace militant Islam, the same Islam, or interpretation of it, feared by Europeans, as a counterforce.

This rise of sectarian feeling is the new element, not present to a strong degree in the Mideast wars of the past. As the Arabs see it, today's problem is an alien invasion — that of the Jewish emigrants from the Soviet Union.

King Hussein's Jordan had to absorb over a million Palestinian refugees after the 1948 and 1967 wars. It now fears that 200,000 or so new Jewish immigrants may push, or be used as a pretext for the Israeli military to push, perhaps twice as many Palestinians into Jordan.

Jordan is a proud, hard-working country. But it is also bankrupt now and can expect no present or future oil booms or any other miracles. Muslim fundamentalists are gaining new power under King Hussein's new rules for multiparty parliamentary government.

In 1967, Egypt's ruling army officers deluded themselves and their president, Gamal Abdel Nasser, into believing that Israel was weak. They thought that Arab fervor, with Soviet military aid, could overcome Israel's superior Western military technology and martial spirit. Result: loss to Israel of Egypt's Sinai, the Egyptian-administered Gaza Strip, Syria's Golan Heights, East Jerusalem and the West Bank.

It was Israel's turn to be deluded in 1973. Israeli intelligence complacently snoozed until President Anwar Sadat's determined Egyptian Army, with its initial successes, dragged a reluctant United States into active Mideast peacekeeping. Result: Egypt signed peace with Israel in 1979 and recovered the Sinai.

Israel's real cause for alarm today is the Palestinian factor.

Left out of that peace were Syria and Jordan, as well as the Palestinians. President Hafez Assad banked on his superpower ally, the Soviet Union, to "restore" what he used to call "Syrian strategic parity" with Israel (which Syria never had in the first place).

On March 8, the anniversary of Syria's 1963 revolution, I watched and heard Mr. Assad bitterly and candidly speak of the decline of Soviet power. "Only Israel has benefited," he declaimed. Even more bitter for him is King Hussein's main hope: the new military power of President Saddam Hussein of Iraq, Mr. Assad's bold rival for regional leadership.

The mantle of military leadership has been unclaimed since Mr. Nasser dreamed in the 1960s of a unified Arab world. Now, Saddam Hussein tries to wear it with a flourish. In recent interviews he insisted that Iraq would respond to any nuclear attack by Israel against any Arab country with Iraq's own chemical warheads.

This leaves Jordan squeezed between what it perceives as an Israeli threat to expel the Palestinians and so destabilize King Hussein, and the power of Saddam Hussein's nearby 90 or so divisions, battle-tested in the war with Iran. King Hussein well remembers that Jordan suffered from joining the 1967 war.

In 1967, after Jordan signed a hasty, last-minute defense pact with Egypt, an Egyptian general presided over the brave but hopeless fight of Jordan's army and its tiny air force when King Hussein ignored Israeli warnings not to open fire. Result: East Jerusalem and the West Bank, lost to Israel.

As in earlier times, Israel also perceives a threat today. In 1967, this was epitomized by Palestinian guerrilla attacks from Syria, encouraged by a weak Syrian regime. Mr. Nasser foolishly proclaimed a largely verbal blockade of Israel's Red Sea approaches. This happened when his best soldiers were still bogged down in a hopeless adventure in Yemen.

In 1973, Israel was probably not frightened enough. The Israeli intelligence establishment was deluded into underestimating the Arabs' strength and determination to win back captured territories until Egypt's army crossed the Suez Canal and advanced into the occupied Sinai.

Bolstered by U.S. arms deliveries, Israel managed to prevail. But in the end, by dragging the United States into a major peacekeeping role, President Sadat attained his real goals: Egypt became a partner of the United States, and in the 1979 peace treaty he got back Sinai from Israel, as well as massive U.S. aid.

Israel's real cause for alarm today, apart from Iraq's growing armory of chemical weapons, missiles and its search for nuclear parity with Israel, is the Palestinian factor. When Israel tried to smash the PLO in Lebanon in 1982, it was Lebanon that got smashed. Israel ended up in 1987 with the Palestinian intifada.

Today some five million Palestinians in the entire world are trying to support their countrymen in the intifada. Like everyone else, they wonder if there will be a new war. If there is, what will they get out of it?

It is possible to avoid a much worse version of the older wars. The United States and the Soviet Union must pause a moment and hear the ominous Mideast music. They must use every ounce of leverage they may still have with Israel, Iraq, the PLO leadership (to curb extremist guerrilla activity, born of despairing Islamic militancy) and the other players, to make them see reason before it is too late.

An international Mideast peace conference is in order, before someone in Tel Aviv, Baghdad, Damascus or elsewhere decides to call his adversary's bluff and to launch the planes and missiles.

The writer, an ABC News correspondent based in London, is a Mideast specialist. He contributed this to the International Herald Tribune.

First, Israel and Jordan Can Reach Some Accords

By Gideon Rafael

JERUSALEM — Hassan bin Talal, the crown prince of Jordan, has cogently warned of the threat of another Mideast war. Spreading fanaticism, intensifying violence and the widening gap between the rich and the poor are fanning the flames. The prince's assessment *(IHT, June 19)* of the ghastly effects of a new conflagration, this time fought with weapons of mass destruction, is shared by many people in Israel and around the world.

Yet merely pointing to such perils does not keep them from happening. Israel and Jordan, whose relationship since the 1967 war has been governed by a series of tacit understandings, must urgently consolidate their bilateral arrangements. Because King Hussein feels reluctant to sign a formal peace treaty with Israel, perhaps an interim accord would be feasible.

The negotiations should try to produce accords that would:

- Reaffirm the countries' obligations under the United Nations charter to refrain from using or threatening to use force; to respect each other's political independence and territorial integrity; to observe noninterference in each other's domestic affairs, and to refrain from fomenting unrest, conducting hostile propaganda and abetting terrorist operations.
- Ease the transit of people and goods across the border in both directions. The opening of a crossing between Elath and Aqaba, for example, would not only stimulate tourism but consolidate and eventually widen cooperation in the Red Sea basin.
- Coordinate the exploitation of mineral deposits in the Dead Sea area, essential for both countries. For many years, representatives of Jordan and Israel have held informal talks on this matter.
- Settle the distribution of water resources, one of the most dangerous flash points. Thirty-five years ago, a special American envoy negotiated with Jordan, Syria and Israel an operational scheme for the fair distribution of water from the Jordan and Yarmuk rivers. While Israel agreed to implement the plan, the other countries rejected it, preferring to prolong the dispute. Although Jordan and Israel have maintained contacts on this, the mounting water shortage has made the problem more acute.
- Work together to protect the environment, deal with health issues and stem drug trafficking.

These binding interim accords could form a stepping stone toward conclusion of a full peace.

Nothing in this proposal would preclude the opening of talks between Israel and a Palestinian delegation that has been authorized to seek a settlement. Indeed, parallel negotiations between Israel and Jordan could enhance the chances of success of any Israeli-Palestinian talks.

The sooner all three peoples start talking, the sooner everyone will safely reach their common goal.

The writer, former director general of Israel's Foreign Ministry, contributed this view to the Herald Tribune.

Will We Ditch the Politics of Evasion?

By Walter F. Mondale

The writer is a former vice president and candidate for president.

MINNEAPOLIS — As the individual who is sometimes credited with making the biggest political mistake of the 1980s by saying — on no less an occasion than my acceptance speech at the Democratic National Convention — that I would raise taxes, I take a special interest in how our president and members of Congress now struggle with the issue of taxes and the federal deficit.

We have gone through a decade of dissembling about the fiscal condition of our nation. In 1980, the total federal debt was $914 billion. Now it is $3 trillion and rising. Our annual net interest payments on the federal debt were $52 billion in 1980. They are now nearing $200 billion, accounting for 15 percent of the annual budget.

The budget deficit for the 1991 fiscal year — including the annual cost of bailing out the savings and loan institutions — is projected to surpass $200 billion.

President George Bush now confronts the undeniable reality that spending cuts alone cannot meet the requirements of the Gramm-Rudman balanced-budget law, which limits the 1991 deficit to $64 billion.

When, in 1988, George Bush, the candidate, said, "Read my lips: no new taxes," he was not quite leveling with the public. But now George Bush, the president, has begun to learn the difference between campaigning and governing.

President Bush had the courage to change his mind on taxes.

We should give the president credit for his statement last week about the need for "tax revenue increases." He had the courage to change his mind, to acknowledge the truth about our nation's troubled finances, to "think anew," as he admitted at his press conference on Friday. He is being honest about what is required to get our deficit under control.

The president should also be given credit for resisting the pressure from many of his Republican colleagues to sacrifice the nation's fiscal responsibility to a short-sighted campaign slogan. Mr. Bush may now show the presidential leadership needed to launch a bipartisan attack on the deficit.

There is also a matter of basic public trust at stake. The American people are fed up with the hypocrisies and tricks of modern political campaigns. A recent poll found that 40 percent of Americans say they didn't think President Bush ever meant it when he made his promise of no new taxes.

For the last 10 years, we've had a fiscal politics of evasion. Nobody — Democrat or Republican — has wanted to deal with these issues. The Republicans haven't wanted to give up a good campaign slogan. The Democrats have been terrorized by my landslide defeat in 1984. Ever since, there has been a bipartisan evasion of the deficit issue, because it requires facing up to taxes.

Nobody wants to accept paternity for a tax increase. But it is the future of our country — our future generations — that is harmed by the failure to deal with these problems.

Our politics have entered a new era, the age of the marketeer. Just as bad money drives good from circulation, marketing strategies are driving honesty and substance from politics. The marketing experts have our leaders practicing the politics of irrelevance and avoidance.

On our country's important education issues, candidates now seek advice from pollsters, not from educators. On our tough environmental issues, they go to media managers, not scientists. In dealing with the federal deficit, they depend on political consultants, not on economists.

On the advice of the marketeers, our leaders are blowing in the wind of momentary public opinion. They inspect their polling and focus group data to decide what issues they'll talk about and what "spin" they'll put on them. So we get "perception management" from candidates rather than honest debate and bold ideas.

Our leaders conclude that if they talk at any length or in any detail about important issues, they're in trouble. In the 1984 presidential campaign, for example, I tried to talk honestly about reducing the deficit. My opponent, who read the polls, declared that the deficit would disappear by reducing taxes. His policies resulted in our nation living on borrowed money we cannot afford. Now our federal deficit is a disgrace.

I think we might learn something important from the new and inspiring leaders in Eastern Europe — people like Vaclav Havel, Adam Michnik and Bronislaw Geremek. They speak about the vital importance of "living in truth." The totalitarian system taught them in brutally clear terms about the corrupting and demoralizing effects of a government that refuses to tell the truth to its people. Hoping the instinct for truth was not extinguished by communism, these leaders now struggle to restore the people's trust in their government and society. May this hard-won lesson from Eastern Europe be an inspiration for our challenges in the United States.

The New York Times.

In East Africa, the Genocide Goes On

By Almami Cyllah and John Prendergast

WASHINGTON — Genocide is one of the ugliest words in the English language. The deliberate attempt to depopulate is reserved for the likes of Adolf Hitler, Pol Pot and Idi Amin. New seats will have to be reserved soon in this gallery of mass murderers for three of the bloodiest dictators in the world: Mengistu Haile Mariam of Ethiopia, Omar Hassan Ahmed Bashir of Sudan and Mohammed Siad Barre of Somalia.

The international community, rightly concerned with feeding the starving masses in these Horn of Africa countries, is fearful of condemning the three governments too strongly. It is often the case that, with criticism, comes closure of relief conduits. So the killing goes on.

The world community is fearful of condemning the three countries.

In Sudan, both race and religion play a part. Two ethnic groups, the Dinka and the Fur, have been targeted for extinction. Both are non-Arab, and both are large enough to be considered by reactionaries like General Bashir as a threat to fundamentalist Muslim Arabs.

The Dinka form the backbone of the Sudan People's Liberation Army, the armed opposition group that has been fighting successive governments since 1983. General Bashir has strengthened and expanded a program, begun under prior governments, of arming Arab ethnic groups to destroy Dinka villages and massacre civilians.

Another tool in the Sudanese campaign to depopulate Dinka areas is the deprivation of food. An agreement negotiated by the Sudan People's Liberation Army and the previous government to allow food to travel to contested areas was abrogated by General Bashir in October. New agreements were not signed until the end of April, making it difficult to beat the oncoming rains when positioning relief supplies in majority Dinka areas.

More than 200,000 Dinkas have perished since 1988 from hunger or at the hands of the militias.

The other ethnic group that the government seems bent on eliminating is the Fur people of the western part of the country. The Fur are the only non-Arab people populating this region. Arab militias armed by the government are conducting a scorched-earth war against the Fur, burning down villages and massacring those who attempt to return. Government troops have begun to intervene on the side of the Arab militias. Thousands of Fur civilians have been killed during the last three years.

Colonel Mengistu, Ethiopia's ruthless leader, perfected the use of the food weapon long before Sudan's leadership employed this cruelly effective strategy. Access to distributing food to separatist Eritreans and revolutionary Tigreans in the north has often been denied. Since the government lost control of its main port of Massawa in February, government planes have repeatedly attacked the city with cluster bombs. The air force has targeted food stocks and health centers desperately needed by Eritreans.

The Mengistu regime has forcibly resettled hundreds of thousands of civilians out of areas considered sympathetic to rebel forces. These same tactics led to more than a million deaths in 1984-85.

In Somalia, the Isaaq clan is the target of government genocide. The Isaaq-based Somali National Movement, an insurgency group headquartered in Ethiopia for years, invaded Somalia in mid-1988 and now controls a large part of the north.

The government has responded with aerial bombing that has devastated large sections of the cities and productive areas in the north. Wells have been poisoned, villages have been burned and Isaaq civilians have been rounded up and executed.

President Barre has supplied weapons to Ethiopian refugees inside Somalia and to opposition Ethiopian groups to attack Isaaq civilians. Africa Watch estimates that 50,000 Somali citizens have been killed in the past year and a half, the majority Isaaq civilians.

The same policies used to isolate the South African government should be emphasized against these dictators. First, the United States, the Soviet Union and Egypt should work toward an arms embargo of the region. Second, all bilateral and multilateral sources of nonemergency aid should be cut off. Third, trade sanctions should be employed against major exports that earn foreign exchange for the three governments. Fourth, public and private credit spigots should be temporarily turned off. And fifth, emergency relief and rehabilitation operations that directly feed civilians in contested areas need to be expanded.

Feeding millions of people victimized by the internal policies of these governments is a critical task for the international community. But just as important is the need to address the ways external sources keep these genocidal war machines running. The child that is saved today will die tomorrow if we do not do both.

Almami Cyllah is government program officer of Africa Amnesty International. John Prendergast is a research associate of Center of Concern. They contributed this comment to The Washington Post.

WASHINGTON and Moscow should not wait until their services as mediators of a cease-fire are required. Rather, creative diplomacy is needed to change the regional environment, reduce the prospects for war and help ventilate the growing rage of Palestinians. It is time to consider a joint U.S.-Soviet risk reduction initiative. While a bilateral working group has discussed the Middle East for the past several years, no new thinking has emerged from it. This is not a call to resurrect an international peace conference or to win Soviet support of the Baker plan. Instead, U.S.-Soviet senior policymakers should meet as a team with representatives of the key parties, including the PLO, to reduce the talk of and preparation for war, and, subsequently, to explore ideas for peace. This joint initiative might also offer a face-saving mechanism for the United States to resume a dialogue with the PLO and for the Soviet Union to resume full diplomatic relations with Israel.

— Howard R. Teicher, a staff member of the National Security Council from 1982-87, writing in the Los Angeles Times.

100, 75 AND 50 YEARS AGO

1890: Canada's Quandary

MONTREAL — Mr. Wilfrid Laurier, leader of the Opposition in the Dominion Parliament, has announced that at the coming elections the Liberals would advocate reciprocity with the United States. "Canada cannot always remain a colony," he continued. "The time will come when we must take our place among nations, but such independence must never be soiled by the blood of civil war."

1915: J.P. Morgan Shot

NEW YORK — A German this morning [July 3] forced his way into the summer home of Mr. John Pierpont Morgan at Glen Cove, Long Island, and fired three shots at him with a pistol. The assailant has been identified as F. Holt, until recently an instructor of German at Cornell University. One shot struck Mr. Morgan in the groin, another inflicted a flesh wound in the leg, and the third went wild. The assailant told the judge that he shot the financier because he believed the latter could stop the war, but would not. It is stated that close relations of the banking house of J.P. Morgan and Company with France, and the assistance it has extended since war began, may have been regarded by a demented German as a reason for the attack.

1940: Liner Torpedoed

LONDON — One thousand persons were estimated tonight [July 3] to have been drowned in the torpedoing off Ireland by a German submarine of the 15,305-ton British liner Arandora Star, jammed with interned Germans and Italians being taken from England to Canada. The ship, which carried 1,500 internees and 500 guards, was attacked just after daylight without warning, and some of the 1,000 survivors who reached Scotland tonight said many prisoners were killed in a mad fight for places in the lifeboats.

— From the New York edition of the New York Herald Tribune.

OPINION

Freedom Instead of Flags Is What America Is About

By Anthony Lewis

NEW YORK — This year there is special reason to celebrate on the Fourth of July. The American polity has just passed an unusual test of wisdom and self-confidence. Americans have shown, tolerably well, that we understand what this country is about: not flags, not jingoism, but freedom.

The failure of the proposed constitutional amendment to allow punishment of flag-burning was a remarkable thing in its way. For the coinage of patriotism is so easy to cheapen. Casting doubt on an opponent's patriotism has been an ugly staple of American politics. Just two years ago George Bush won votes by visiting flag factories and reciting the Pledge of Allegiance to the flag.

Sponsors of the constitutional amendment warned they would use 30-second television spots against congressmen who opposed it. Yet the amendment failed to win the needed two-thirds vote in either the House or the Senate. Enough Americans understood that the integrity of the constitution, in particular of the First Amendment, mattered more than punishing the occasional crazy who seeks attention by burning the flag.

"Congress shall make no law ... abridging the freedom of speech." For 199 years now that clause of the First Amendment has protected the right of Americans to disagree. At the heart of the clause is the right to criticize the government, however harshly.

The Supreme Court has called that "the central meaning of the First Amendment." James Madison and Thomas Jefferson regarded it as guaranteeing the whole premise of the constitution: that the people, not the governors, were to be the sovereigns.

What made the outcome of this year's flag debate so interesting was that it amounted, in a sense, to a political ratification of judicial doctrine. Numbers of commentators and politicians and members of the public rallied to the Supreme Court's view that the First Amendment protects even offensive political expression.

It was a long time before the court came to that conclusion. As late as World War I pacifists and anarchists were sent to prison on charges of "sedition" for speeches that today would not cause a murmur. And the Supreme Court upheld the convictions against constitutional challenge.

But one of those cases, Abrams v. United States, drew a powerful dissent from Justice Oliver Wendell Holmes, joined by Justice Louis Brandeis. "We should be eternally vigilant," Justice Holmes wrote, "against attempts to check the expression of opinions that we loathe and believe to be fraught with death."

That dissent began what could be called a return to Madison's and Jefferson's view of the First Amendment. Justice Holmes summed it up pithily in another dissenting opinion in 1929:

"If there is any principle of the constitution that more imperatively calls for attachment than any other it is the principle of free thought — not free thought for those who agree with us but freedom for the thought that we hate."

Over the last 50 years the Madisonian view of the First Amendment has been fully accepted by the Supreme Court. The flag decisions last year and this year were only the latest in a long line of cases protecting expression obnoxious to the majority.

The meaning of freedom under the First Amendment was brought home to me recently by a newspaper column angrily objecting to it. George F. Will, writing the flag case, said that the Supreme Court "almost invariably miseducates the nation about the nation's premises."

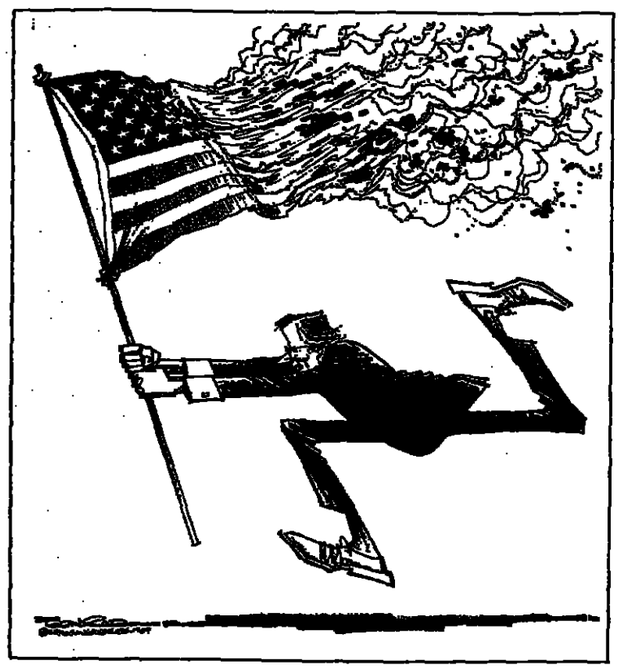
In matters of religion, Mr. Will wrote, the First Amendment forbids an "establishment" — partiality toward one faith. But the constitution mandates agnosticism only about religious, not political, ideas." We can silence objectionable political opinions. In short, freedom only for those who agree with us.

Mr. Will argued that a clause of the original constitution guarantees each state "a republican form of government." Hence, he said, the framers intended to prohibit contrary political views. The notion, then, is that in choosing a republican government the founders meant to forbid discussion of alternatives — and that somehow limited the free-speech amendment later added to the constitution.

If the argument needs answering, Jefferson answered it in 1801, in his first inaugural address:

"If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it."

The New York Times.



A Fringe Issue?

IF HISTORIANS ever look back at the United States' entry into the 1990s, I expect they will be very puzzled. At a time when the world was being reshaped by the collapse of the Soviet empire and the emergence of new economic blocs, Americans were preoccupied by such topics as flag-burning, dirty records and government funding of offensive art. In times past, we had far more important fish to fry: a frontier to settle and civilize; industries, homes and schools to build; a world to save. Cultural disputes preoccupy us now, because we are floundering. As we drift in our debt-financed, synthetic prosperity, we are losing confidence in our future. So we let ourselves be upset by fringe characters whose goal is simply to shake us up.

— *The columnist David S. Broder.*

LETTERS TO THE EDITOR

Reverence for the Flag

E. J. Dionne Jr. *("U.S. Flag: Tussle Over the National Icon," June 22)* appears to agree with a writer in The Sunday Telegraph of London, whom he quotes as saying that "to foreigners there is something downright peculiar about the deep reverence Americans show for their flag."

How can anyone talk on behalf of all non-Americans? Anyone who had ever known someone who lived in a country that was occupied by a ruthless enemy, where the display of the flag was forbidden, and who lived to see the day when the flag could be raised again freely and gloriously without repercussions or threats, would never have written such an article.

KAREN T. WAALER.
Bergen, Norway.

The headline on Mr. Dionne's article refers to the flag an an icon, and so it is. There is an American civil religion, and to burn a flag is blasphemy to the patriots who adhere to it.

PAUL KUNTZ.
Venice.

Those with no respect for the American flag would have no respect for a law or a constitutional amendment regarding its treatment.

LAWRENCE R. GORDON.
Santa Monica, California.

Where Mandela Stands

Representative William S. Broomfield, a Republican of Michigan, reacting to Nelson Mandela's kind words for Yasser Arafat, asked, "Who is the real Nelson Mandela?" *("Rapt U.S. Congress Hears Mandela Plea," June 27).* The question reflects a common confusion. Mr. Mandela is simply being morally and logically consistent. If race-based, settler-colonial rule and the dispossession and oppression of indigenous peoples are wrong in South Africa, they are wrong everywhere.

JOHN V. WHITBECK.
Paris.

Mr. Mandela has a lot of nerve to criticize U.S. support for the freedom fighters in Angola. If the free election he demands for South Africa were ever held in Angola, the gang of thugs that passes for a government there would be lucky to break out of single digits.

JACK JOLIS.
Brasschaat, Belgium.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Fighting Words Over the Fourth

By Morton Puner

SAINT-TROPEZ, France — Only a few of the 150 guests at Mimi's big party last year were American. Most were local British and French fun people, invited to give the party some class. Mimi herself is a long way from her native Louisiana bayou country. That's where she picked up her odd accent in French; her Saint-Tropez butcher always thought she was, at best, the wife of the *gardien* out to fetch the gigot.

But she was mistress of the manor and her party was first-class all the way: striped tents on her enormous lawn, roving waiters dressed in red-white-and-blue, lobster and champagne, Perrier for trendy Americans (this was last year), Chivas for the French cognoscenti.

It was, of course, a special occasion: A Fourth of July party on the French Riviera. It was also Mimi's farewell to her friends around the Gulf of Saint-Tropez. She had just sold her villa for close to two million (dollars, not francs, were understood) and was moving to Monaco for reasons of her own.

There was almost a dead silence, except for some buzzing. I looked up. One man seemed to be shaking his fist in my direction.

She had asked me, as a neighbor and fellow American, to provide the entertainment by reciting some original funny verse. Infra dig, I thought and decided to read something more appropriate to the day: the opening of the Declaration of Independence. Just a small piece, up to the words: "We hold these Truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

I rehearsed at home with tape recorder and mirror until I got it just right, including some emphasis on "all men" in that "all men are created equal." I put it in French, too, for those who might not appreciate it in the original. It sounded wonderfully sonorous: "*Que les hommes naissent égaux, que leur Créateur les a dotés de certains droits inaliénables, parmi lesquels sont la vie, la liberté, la recherche du bonheur.*"

Finally the great day. I went on, not even nervous, sure of my material. It couldn't miss: The most famous words ever written expressing the ideal of American freedom. The Mediterranean in clear view, under a perfectly blue sky. I signaled my close with a bow of my head. I awaited the salvos of applause.

There was almost a dead silence, except for some buzzing. I looked up. One man seemed to be shaking his fist in my direction. Others had simply turned their backs and were walking back to the bar. On his way, an Englishman shot over his shoulder, "We're hardly all the same, you know." Small clusters of brightly clothed men and women, now grim-faced, were engaged in angry conversation. A French woman, face contorted, caught my eye and plainly spat. Mimi eventually came up to me, standing alone. "Why oh why?" she asked. "Did you have to ruin my party by reading that awful Marxist stuff?"

MEANWHILE

It was that "all men are created equal, etc." that did it. My audience — including Mimi and other Americans who must have skipped civics at home — really did think I was quoting from The Communist Manifesto or its kin. In my enthusiasm, I had ignored the obvious: Almost all the guests were that special breed: snobbish, undereducated, and politically extreme right. The Brits weren't too keen, anyway, on honoring the loss of the Colonies. The French contingent came mainly from the 20 percent in our area who regularly vote for Jean-Marie Le Pen's racist National Front; they thought I was making some madly displaced pitch for equal rights for the émigrés from the Maghreb. North Africans in France. I might have been eulogizing Martin Luther King Jr. at a Ku Klux Klan rally.

I've learned my lesson, a cardinal rule of showbiz: Know your audience. This year's Fourth of July party, if anyone bothers to come, is going to be held at my house. It's going to be traditional. Just barbecue and booze. Maybe some funny verses. No speeches, no Commie stuff, not even if Thomas Jefferson wrote it.

The writer, an editor and author, has visited Saint-Tropez every summer for the last 21 years. He sent this holiday warning to the International Herald Tribune.

Anyway You Cut It, I'm Right

By Ray Stevens

WESTMINSTER, Maryland — I have not mowed my lawn for more than 20 years, and during that time there has not been a divorce in the neighborhood. Not that Ruth Ann and I have not come close to divorce every summer since 1967. Until recently. As is true in all lasting marriages, however, sweet reason has won out. I have finally convinced her that our unmowed lawn is a great public service.

She has finally opened her eyes to what has been happening on our block. Every evening now we peep from behind the closed drapes of our living room as pedestrians meander by. We observe their attitudes and actions as they pass our house for the first time.

All too often they appear angry, as if they are taking out the frustrations of the day on each other. Then something wonderful happens. After having walked about halfway past our property, invariably the husband — and then the wife — looks at our lawn; then they look at each other. He will say something and smile knowingly; she, hesitating a moment, will nod in agreement. They join hands, and continue their walk.

By the time they have passed and looked for the second time, their happiness is unbounded. They return home contentedly. I do not listen to what they have to say to each other, but once a neighbor who is hard of hearing shouted to his wife: "At least the lawn I mow looks better than that."

Consider, too, the peace and harmony that I, a nonmower, contribute to nature by saving millions of blades of my grass (a mixture of fescue, zoysia and barnyard) the horrible pain and humiliation of public mutilation that neighbors doggedly inflict weekly as they mow and mercilessly injure those who cohabit the Earth with them.

Let no one who reads this think that my contribution to neighborhood peace and harmony is easy. No one can truly understand how much I have suffered for this public service. It is difficult for a nonmower such as I not to commune with neighbors in the heat and humidity of these summer afternoons as they gasp in any shade they can find while mowing.

And often it is with envy that I watch from behind the shutters of my den as neighbors in late August evenings welcome with frantically waving arms the mosquitoes and gnats that swarm melodiously around them as they hasten to finish mowing before the thunderstorms arrive.

Only recently have my neighbors come truly to understand what I have contributed to the quality of life. In fact, just last night I declined their invitations to serve as president of a National Nonmowers Society. Their idea is that each neighborhood in the United States have a designated nonmower. Such nonmowers will rotate every year so that all families can witness the hardships of the struggle that I have endured alone for more than two decades, encouraged only by the knowledge that one day a grateful nation will follow in my footsteps.

The writer teaches English at Western Maryland College, which means he has nothing to do until Labor Day but not mow his lawn. He contributed this to The Evening Sun of Baltimore.

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STAGE/ENTERTAINMENT

Jaap Pieper

The final scene from the Netherlands Opera production of Prokofiev's "Fiery Angel," presented as part of the Holland Festival.

Prokofiev's Fiery, Obsessive 'Angel'

By David Stevens
International Herald Tribune

AMSTERDAM — Major symphony orchestras do not often stray very far from their beat, but this year's Holland Festival, as venturesome and eclectic as ever, employed the Royal Concertgebouw Orchestra and its new music director, Riccardo Chailly, as the key elements of two absorbing but dissimilar evocations of the 1920s.

One was a production of Sergei Prokofiev's third mature opera, "The Fiery Angel," composed over several years in the '20s, but which never achieved a production at the time and did not reach the stage until the mid-1950s. The other was a pair of concerts in which ad hoc ensembles from the orchestra, with soloists, made their way through the set of seven Kammermusik pieces written by Paul Hindemith when he was an active figure in the German avant-garde.

"The Fiery Angel," based on a novel by the Russian Symbolist writer Valery Bryusov, is set in the 16th century. It is about possession, sorcery and hysteria; about conflict between perceptions of good and evil; about the contrast of the outgoing medieval world of alchemy and cultism and the incoming enlightenment.

On the surface it is about the obsessive love of the knight Ruprecht for a very mixed up young woman, Renata, whose attempts to find a human focus for her ecstatic visions of a flaming angel make life difficult for both of them. The mythical-literary-historical context is filled out, if not clarified, by the appearance of various characters from Faustian legends, including a tenor Mephistopheles.

Prokofiev apparently hoped to follow up the premiere of "The Love for Three Oranges" by also doing "The Fiery Angel" for Mary Garden, in her dual role as prima donna and director of the Chicago Opera. This did not happen, although it probably accounts for the existence of a French libretto, the language used by the Netherlands Opera here under the title "L'Ange de Feu." Prokofiev continued to work on the opera while living in a village in the Bavarian Alps, a place where, he thought, its strange events could have taken place in the backyard. Koussevitzsky performed parts of it in Paris in a concert in the late '20s, but a stage performance did not materialize and the composer retrieved parts of the score for his Third Symphony.

AT some point before Prokofiev returned to Russia in the '30s, the opera's score disappeared and it was not found until after the composer's death in 1953 (on the same day as Stalin's, by the way). It surfaced in Paris, where it was given a concert performance in 1954, and finally reached the stage in Venice the following year.

Prokofiev is said to have thought "The Fiery Angel" to be his best opera. He responded to the story with music of violent dramatic power bordering on the chaotic. The triumph of the production at Amsterdam's new Muziektheater was primarily in the orchestra pit, where Chailly and his orchestra laid out the score's turbulent romantic expressionism with admirable clarity and balance.

Andrei Serban's staging and Robert Israel's sets and costumes for this co-production (with Geneva and Los Angeles) concentrated on making the confusing story as clear as possible, not trying to trump the grotesqueries of the plot (such as Mephistopheles's temporary ingurgitation of a scullery boy in the tavern scene) or supplying hidden meanings (except for having the Inquisitor unaccountably return in a military uniform to condemn Renata to the stake).

Marilyn Zschau sang and acted with dramatic force and unflagging stamina as the deranged Renata, and the baritone Philippe Rouillon was a stalwart, elegantly sung Ruprecht (and the only singer in the cast whose French was really comprehensible). Barry Busse was the droll Mephisto, one of several cameo parts in the large and solid cast.

Chailly and the Concertgebouw's "Hindemith project" was one of a trio of composers' portraits in the festival program (the others were Schoenberg and Bernd Alois Zimmermann). These seven Kammermusik pieces are, with one exception, solo concertos for different instruments and with varied instrumental combinations in the chamber orchestra. Despite the composer's association with the avant-garde of the '20s, these pieces look back mainly to Baroque polyphony, resolutely anti-romantic and bristling with youthful exuberance. The radiant C-major blast that ends No. 7 for organ and chamber orchestra had an almost tongue-in-cheek effect in closing the second concert.

These works are demanding and rewarding, both for soloists and orchestra instrumentalists, some of whom get the attention of a soloist. Conductor and players all performed as if they enjoyed this intimate excursion from the standard orchestral repertory. The excellent soloists included Ronald Brautigam (piano), Norbert Blume (viola d'amore), Lynn Harrell (cello) and Leo van Doeselaar (organ).

At a time when the trend in arts funding is generally downward, the Holland Festival's combined government subsidies have been doubled, suggesting that it will continue to be one of Europe's most innovative and enterprising events.

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LONDON THEATER

'Single,' Seeking a Play

By Sheridan Morley
International Herald Tribune

LONDON — Since that first great quartet of postwar solo shows — Emlyn Williams as Dickens, John Gielgud's Shakespeare, Micheál MacLiammóir as Oscar Wilde and Roy Dotrice as John Aubrey in "Brief Lives" — no actor has proven more brilliantly adept at holding a stage alone than Alec McCowen with his recital of St. Mark's Gospel. At the Greenwich currently, he is again doing a solo turn, but unfortunately the creators of "A Single Man" seem to think there might be a play here, too.

In fact, there isn't. Michael Michaelian's script is derived from Christopher Isherwood's quasi-autobiographical book of that title, about an Englishman in California attempting to survive the death of a male lover in a car crash, and Waris Hussein's production involves a dozen other characters but remains as resolutely undramatic as a radio reading of the original text.

McCowen is, however, magnificent. He attempts no real impersonation of Isherwood, and yet perfectly captures that semidetached, gay academic spirit, forever half stifling a laugh at the idiocy of himself, his expatriate neighbors or the human condition in general, while at the same time managing to conjure up a whole other world of internal spiritual and sexual loss. McCowen's Isherwood is in mourning for his own life but not in a very sentimental way. This is a hard-edged, self-mocking, rigorously analytic man, only too well aware of the awful daily wastage of late middle age.

The other great performance is that of Rosemary Martin as his neighbor, an alcoholic English divorcée forever poised for flight home but unable, like so many California expatriate dreamers, to face up to the damp and drizzle away from the beach, and therefore pausing in a futile attempt to convert Isherwood to heterosexuality.

The author once noted that "A Single Man" was less a study of homosexuality than one of middle age. But in reality it is another of those tales from the Hollywood Raj, accounts of the California dispossessed who once were playwrights on MGM studio salaries but now tended to be visiting professors of English from the same sort of British background that made them fall at the same time deeply into and out of love with the Malibu coastline.

Yet despite Hussein's agile open staging, "A Single Man" resolutely refuses to leave the page for the stage. There is a superlative character study, but no actual drama or conflict since even the car crash at the center of the action has to happen off stage, in Ohio. William Caminara and Neil Roberts valiantly attempt to sketch in the very sketchy young men in Isherwood's life, but what we get is, at best, a monologue with occasional interruptions.

Gary Smith

Alec McCowen at the Greenwich as "A Single Man."

In Isherwood's generation, the gay British exiles tended to end up either spying for the Soviet Union or lecturing to American undergraduates, and it is possible that the one dramatist who has specialized in this territory all his writing life, Alan Bennett, might have managed to make something more waspishly intriguing out of Isherwood's original book, by allowing someone, somehow, to comment on its oddly humorless self-absorption. But this apologia for a life of displaced nostalgia is fatally inert and devoid of real dramatic energy.

At the Lyric Hammersmith Studio, a rare revival by Great Eastern Stage of Henri Becque's "La Parisienne" explains all too clearly why a comic classic of the 1880s has been so totally abandoned this century by British translators. For although it starts with one of the best jokes in all boulevard comedy, whereby what we assume to be a marital row turns out to be a remarkably similar dispute between two illicit lovers about infidelity, "La Parisienne" then runs rapidly downhill into a soporific immorality tale. It might just conceivably — given, say, a John Mortimer translation and the full stylistic resources of the National Theatre on a huge budget — have acquired a sort of period charm, but instead, in this distinctly underfinanced and undercast touring version, it looks very tacky indeed.

At the Pizza on the Park in Knightsbridge, twice nightly though the end of next week, Peter Greenwell makes one of his all too infrequent returns from Spain to the London cabaret circuit. The man who was Noël Coward's last pianist is also a composer of considerable elegance and charm ("The Mitford Girls," "The Crooked Mile"), but at the piano he concentrates largely on Coward travel songs, interspersed with occasional reminders of Alan Melville and Eric Maschwitz.

There is a whole lost world of casual elegance, as well as the nostalgia of long-forgotten romantic ballads. And with the manner of a veteran choirboy on the hoof, Greenwell establishes that a lyrical piano-bar tradition recently and triumphantly adopted by such Algonquin Americans as Steve Ross and Michael Feinstein is not totally defunct in its native land. Hasten along.

López Cobos's 'Lohengrin' Finale

By James Helme Sutcliffe

BERLIN — Jesús López Cobos's conducting of the new production of Wagner's "Lohengrin" is his last at West Berlin's Deutsche Oper in his capacity as general musical director, a post he has held with honor for eight years.

After almost two decades of the strains of opera conducting, his intention is to devote himself to symphonic work for the next three years at least, primarily in Cincinnati, where he is already principal conductor of what he described as "a superb ensemble."

He and the Deutsche Oper orchestra gave a subtly detailed, and yet exciting, high-tension performance of "Lohengrin" and the soloists were magnificent: Peter Seiffert gleaming in the title role, bright-voiced Eva Johansson a moving Elsa, Isolde Elchlepp a rich, brooding Ortrud, Andreas Schmidt a fine, lyric Herald and Jan-Hendrik Rootering as a fatherly King Henry.

It was not toward them that the vicious booing was directed on the first night. Although the stage director Götz Friedrich took the brunt of the disapproval for one silly scene — the colorless Telramund (Hartmut Welker) in black shirt and leather trousers tippy-toeing into the Act 3 bridal chamber like one of the Marx Brothers — such treatment was manifestly unfair. It ignored the truly exciting choral movement and often brilliantly original blocking of the principals that, despite a few excesses, turned a basically static opera into living musical drama.

After almost two decades of the strains of opera conducting, he intends to devote himself to symphonic work, primarily in Cincinnati, where he is principal conductor of 'a superb ensemble.'

The big problem was the '50s "modern," partly Cubist, partly Surrealist setting in shades of cordovan red, with monumental facades faceted like Lyonel Feininger paintings framing an angled performing area seemingly ripped down the middle. With German unity rapidly approaching, abetted by King Henry's gestures at "whether East or West," it seemed a too obvious appeal for German unity on the part of Friedrich, who hails from Naumburg in "East" Germany. Backed by Max Ernst rocks before a seascape that later sported the kitschiest of sunrises, Peter Sykora's gray capes with berets (!) for the Saxons and black Zorro outfits for the Brabantians raised more questions than they answered.

With music-making of the López Cobos caliber, though, much could be forgiven, particularly as storm clouds already seem to be gathering about the music directorship of his successor, Giuseppe Sinopoli. After conducting the opening "Flying Dutchman" at the Wagner festival in Bayreuth later this month, Sinopoli takes over here in the fall. A darling of the record industry, he has had a spectacular rise to international celebrity, and will be highly paid for doing only two new productions a season in Berlin.

James Helme Sutcliffe is a Berlin-based critic and musician.

Dining Out

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ACROSS
1 Former Barbary State
6 Charge
9 Fast
14 Representative
15 Kind of meal
16 Roman official
17 Famous date in 55 Across
20 "... his cousins and his ——!": Gilbert
21 Handle again
22 Hundred: Comb. form
24 Sounds of hesitation
25 What hot dogs do
26 Touchstone
30 Allowance for waste
34 Common abbr.
35 Five: Comb. form
36 "The Old Wives' Tale" playwright
37 Famous name in 55 Across
40 Detection device
41 Where Rigel is
42 Choose
43 —— and terminer
44 Once around Sol
45 G.H.W.B., e.g.
46 Word after door or place
49 Runs into
51 Isabel, e.g.
53 Overcomes
55 Specialty of George Bancroft
60 She created the Moffats
61 Rock star Adam ——
62 Hove clear, as an anchor
63 "——-porridge hot . . ."
64 My, to Pierre
65 Middle name of a V.P. to F.D.R.

DOWN
1 Make lace
2 Expression of disgust
3 Martha Washington, —— Dandridge
4 What 37 Across was in 1743
5 Pub quaff
6 Ticonderoga, e.g.
7 Diner sign
8 Anglo-Saxon letter
9 Apply (to)
10 Insurance-co. employee
11 Papal name
12 A river at Rennes
13 Actress on "L.A. Law"
18 Emulates the 13 Colonies
19 Mine product
22 Old name for China
23 Create a cryptogram
25 Stone: Comb. form
27 Delight in
28 Cubic meter
29 Cheap rum
31 Hot Springs, Va., e.g.
32 Bolts together
33 Valley Forge shelters: 1777-78
35 Strange norm
36 Tom Paine's weapon
38 Earthenware pots
39 Layout
45 Spain's monetary unit
47 Have —— for news
48 Material for roofs and roads
50 A Green Mountain Allen
51 Show respect for Old Glory
52 This, to Juan
53 Femur, e.g.
54 Newts
55 Drill sergeant's call
56 Sweet potato
57 Ossuarium
58 "—— semper tyrannis"
59 Imitate

Solution to Previous Puzzle

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7/4/90

© New York Times, edited by Eugene Maleska.

MEDIA MARKETS

A New-Image Penthouse: More Than Just the Nudes

By Bruce Horovitz
Los Angeles Times Service

LOS ANGELES — When the agency that creates ads for Penthouse asked to sit in on some of the magazine's story conferences last year, editors were baffled. After all, everyone knows what Penthouse is: a magazine filled with pictures of women in kinky poses. Who cares what stories are squeezed in between the pictures?

Well, the New York ad agency Smith-Greenland did.

"Penthouse had a problem," said Leo Greenland, chairman of the company that also creates those billboard ads for Johnnie Walker Scotch that feature beautiful girls making come-hither remarks. "The problem wasn't just one of misconception, it was also one of recognition."

Recognition by whom? Advertisers. Ad sales were way off. And scores of major advertisers refused to be associated with the magazine. How to change its image? Penthouse was not about to mess around with its content. But its agency decided to promote, in trade journals, the message that Penthouse was also doing some investigative journalism.

Smith-Greenland's campaign emphasized that Penthouse also does investigative journalism.

One print ad about its investigation into the Ku Klux Klan pictured two hooded Klan members above the headline "Not everyone under a sheet in *Penthouse is in the mood for love.*" Another ad, about the magazine's story on the war on drugs, featured a picture of a drug bust. The headline: "Some of the biggest busts Penthouse uncovers aren't the kind you think they are."

Can an advertising campaign successfully change — or improve — the image of a product?

"First, there must be credibility with the product itself," said Jeffrey B. Hirsch, president of Los Angeles-based Hirsch Marketing. "If the product cannot deliver on the new image that the advertiser is trying to communicate, it will be doomed to failure."

Besides *Penthouse*, plenty of other companies have recently unleashed campaigns that try to improve their images. For nearly five years, Rolling Stone has spent heavily on a tongue-in-cheek campaign that relies on contrasting images to convey the message that its readers who once made purchases with pockets full of change now flash American Express cards. During the past year, E&J Gallo Wineries has spent millions on a campaign to convince consumers that it can make fine wines. And Club Med is pumping millions of dollars into a campaign to inform aging baby boomers that it is no longer just a place for swinging singles.

CAN THESE EFFORTS WORK? Penthouse has not done half bad. Its ad campaign is about a year old. Although most magazines are seeing substantial dips in ad sales, Penthouse lineage is up 5.1 percent for the first half of 1990 compared to the same period in 1989. Bear in mind that Playboy has seen an 11.4 percent drop during the same period.

But perhaps the most successful recent image-changing campaign is the one that Gallo introduced about a year ago. Using the slogan "It will change the way you think about Gallo," the company has invested millions of dollars to convince baby boomers that it is no embarrassment to serve Gallo wine.

"The challenge was to convey that message," said Dan Solomon, Gallo's communications director.

How to do it? "We had to be believable," said Clifford Einstein, president of the Los Angeles agency Dailey & Associates. "It was necessary for us to construct our message in a way *that showed we understood that this may not have been the way* people perceived Gallo."

The ads show upwardly mobile couples who, at first, show surprise when Gallo wine is served at a gathering. The campaign appears to have succeeded. Gallo has quickly become the nation's *largest seller of varietal* wines.

"This kind of advertising is not something we invented," Mr. Einstein said. "It's classical stuff. The trick is to be consistent, and to do it for a long time."

UN Sees Global Growth Falling to 2.2%

Reuters

UNITED NATIONS, New York — Global economic growth is expected to slow to 2.2 percent this year from 3.1 percent in 1989, with the Soviet Union and other East European countries acting as the main drag on output, the United Nations said Tuesday.

The UN World Economic Survey for 1990 said developed market economies pressed ahead with their *long-running expansion in 1989,* when their economic output grew by 3.5 percent.

This was lower than the 4.3 percent of the year before but more vigorous than had been expected. The 1990 forecast for developed economies is 2.7 percent, with a rise to 3.1 percent projected for 1991, just above expected global growth of 3 percent.

In the Soviet Union and Eastern Europe, the UN said, economic growth fell sharply from 4.1 percent in 1988 to only 1.2 percent last year. The forecast for 1990 is negative growth of 1.2 percent, followed by minuscule positive growth of 0.2 percent next year.

Developing countries experienced a slowdown in growth last year, dropping from 4.5 percent in 1988 to 3.4 percent, with 3.1 projected for this year and a return to 4.5 percent in 1991.

But performance among developing nations varied widely. The growth rates for south and east Asia dropped from 8.2 percent in *1988 to 6.2 in 1989. The forecast for* 1990 is 5.5 percent and 6 percent *for 1991.*

China's growth rate plunged between 1988 and 1989 from 11.4 percent to 3.9 percent, with 5 percent forecast for both this year and next.

African countries' growth increased by 2.8 percent in 1989, compared with 2.4 percent the year before. But since this was less than the rate of population increase it meant another *fall* in per-capita output. Growth of 3 percent is forecast for 1990 and 1991.

Oil consumption, which has been increasing steadily in recent years, reached 51.9 million barrels a day in 1989, excluding Eastern Europe and the Soviet Union.

This was the highest level since the 1979 figure of 52.4 million and *is expected to reach 52.9 million in* 1990.

At the same time, crude oil production has grown among members of the Organization of Petroleum Exporting Countries, from 19.65 million barrels per day in 1988 to 22.05 million last year, and to a lesser extent in non-OPEC oil-exporting developing countries.

In the developed market countries, it dropped by about 700,000 barrels a day, mainly due to a fall in U.S. production from 8.17 million barrels per day in 1988 to 7.68 million in 1989, the lowest level *since 1963. U.S. crude production* this year is expected to fall below 7 million barrels per day, the survey said.

U.S. Plans Global Sale Of Property

By Martin Tolchin
New York Times Service

WASHINGTON — The U.S. government plans to hold an international auction in late September, via satellite, for properties worth more than $1 million each that were acquired from *insolvent* savings and loan institutions.

Government officials said that potential buyers from Japan, Britain and Canada had expressed the *most interest in the* properties.

"We think it will be a good way *to* move certain properties, and at a good price," said David C. Cooke, executive director of Resolution Trust Corp., *which oversees the* savings and loan bailout and will conduct the auction.

Foreign investors have bought such property in individual sales, *but this will be the first international* auction. It will involve 98 properties with a total value of $341 million.

Only commercial properties will be for sale, including hotels, *motels, office buildings, shopping centers* and "maybe a golf course," said John Karlson, Resolution Trust's assistant director for real estate marketing.

The foreign auction centers will be in London, Tokyo and probably a Canadian city.

Resolution Trust has sold $2 billion worth of property, but still has *an inventory of 35,908 properties* with a book value of $14.9 billion.

Hubble Shakes the U.S. Image

By John Burgess
Washington Post Service

WASHINGTON — It was supposed to reconfirm American supremacy in science and innovation: *an orbiting, automated telescope* that would peer toward distant galaxies and open a new chapter in human understanding of the universe.

But last week, *the $1.6 billion* Hubble Space Telescope, crippled by a mysteriously misshapen mirror, took its place on the list of great techno-fiascos.

"*I find myself saying to myself,* 'Oh, not again. What's gone wrong?'" said Kent Hughes, president of the Council on Competitiveness, a group that studies the U.S. stance in world technology. "Hubble is a little humbling."

The failure of the telescope, which two months ago rode into space amid great fanfare in the hold of a space shuttle, led more than a few Americans to wonder whether their country can get anything right anymore.

The questioning became even more poignant on Friday when the National Aeronautics and Space Administration announced that the shuttles, too, would be grounded indefinitely because of vexing and dangerous fuel leakages.

But Mr. Hughes and other specialists deny that the Hubble's problems signal a general decline in U.S. technology. The telescope was an enormously ambitious undertaking. It came within a hair's breadth of working, and it could yet be repaired by visiting astronauts. Failures of this sort, however disheartening, are the price of scientific progress, they say.

"Doing something that difficult, you *have* to dare to fail," said Robert Lucky, an executive director at the AT&T Bell Laboratories. He allowed that "a little piece of my heart" went aloft with the telescope. *"And we did fail," he added.*

The U.S. troubles in competing in mass production technology — everything from cars to videocassette recorders — are well known. But in basic research and scientific discovery, it has remained at the top, in a league of its own.

'The scientific community really needs to re-prove itself.'
Roland W. Schmitt, Rensselaer Polytechnic Institute.

Before this week, things were going smoothly in space in particular. Shuttles were flying routinely again, putting behind the 1986 loss of Challenger. The world had been treated to a breathtaking view of the blue planet Neptune by the Voyager probe. And the telescope had successfully entered orbit.

Now Hubble is on hold and the shuttles are stalled on the Florida launch pad.

NASA has ordered an investigation into exactly what went wrong with the telescope. The scientific community, at least for the moment, has taken heart from the fact that *the telescope's basic systems,* new and complex as they are, seem to be working reliably. The failure, rather, appears to have been in a low-tech area, human oversight.

Had the system been for use on *the ground, it* could be shut down and the fault corrected with relative ease. But space is less forgiving.

In February of this year, a European Ariane rocket, product of years of *meticulous engineering,* exploded shortly after lifting off from a South American launch pad. A panel of inquiry determined that a cloth had been left inside a water duct.

In March, an American Titan booster left a $157 million communications *satellite* in a useless orbit because someone had run a wire to the wrong bay of the rocket's nose cone.

Such errors will always occur, some experts said, so the best approach is to minimize how much is at risk each time one does.

Talk is arising in the space community that the failure could push the United States away from big-ticket projects such as Hubble or the proposed $17 billion orbiting space station or $17 billion Earth observation satellites in favor of smaller, more numerous ones that, like the prudent investment portfolio, spread risk around. Big science versus small science.

In the 1960s, the big-project approach raised *fewer* eyebrows. Money was in greater supply. A 1960s Hubble might well have had a back-

See HUBBLE, Page 14

EC Asks Berlin To Consult It on Merger Actions

Reuters

BRUSSELS — The European Commission, concerned that a wave of West German takeovers in East Germany will restrict competition, has asked the East German government to consult it before approving more link-ups.

The move signals the European Community *executive's intention* to apply EC antitrust rules to mergers and acquisitions in East Germany, even though the state has yet to unite with West Germany.

The request was made in a letter on June 28 from Competition Commissioner Sir Leon Brittan to East German Economics Minister Gerhard Pöhl.

"I would be grateful if in future you would give the European Commission the opportunity to put its point of view to your government and that of West Germany before *your government approves* company takeovers and participations which the European Community considers questionable from the point of view of competition or competition policy," Sir Leon wrote.

He said Brussels was greatly concerned about the takeovers and purchases of shareholdings taking place in East Germany, which on Sunday formed an economic and monetary union with West Germany and will formally become part of the European Community when the two Germanys are fully united.

Sir Leon expressed regret at Berlin's decision last week to approve Allianz AG Holding's purchase of a 51 percent stake in East German state insurer Staatliche Versicherung *der DDR* and noted that "similar important decisions" were likely in the near future.

Commission sources said Brussels was examining very carefully the competition *implications* of "one or two" of the major takeovers planned in East Germany, though the Allianz-Staatliche Versicherung case was not necessarily one. They declined to give details.

EC competition rules will not formally apply to East Germany until it is fully united with West Germany, expected at the end of the year, but Commission sources said there was logic in applying them before then, at least informally, as German economic and monetary union was already in place.

"It is certainly in your government's *interest to know in* good time the view of the European Community, to which your country will shortly belong," Sir Leon said in the letter to Mr. Pöhl.

Commission sources said one weapon Brussels could use to tackle anti-competitive link-ups between West and *East German firms was* Article 86 of the Community's founding treaty, which forbids companies in the EC to abuse a dominant position.

They said the Bonn government shared Sir Leon's concern at the takeovers under way in East Germany.

Berlin Wall To Be Site for Daimler Office

Reuters

BERLIN — West Berlin gave the go-ahead on Tuesday for West Germany's biggest company, Daimler-Benz AG, to build offices in the Berlin Wall wasteland.

The Potsdamer Platz site, once the bustling center of old Berlin, is now a rubble-strewn no-man's land even though the wall dividing it came down in November.

"This is a signal for other investors. It's very important for the city," the West Berlin mayor, Walter Momper, told reporters after a joint council meeting in East Berlin's town hall.

He said the West Berlin ruling senate's approval for Daimler-Benz, maker of Mercedes-Benz cars, to buy the *prime site at a preferential* price would attract other firms to Berlin. It may also influence the pace at which the capital of a united Germany moves from *Bonn to Berlin.*

Car Production Boosts U.S. Factory Orders

Compiled by Our Staff From Dispatches

WASHINGTON — Orders to *U.S. factories for manufactured* goods rebounded 2.1 percent in May, the government said Tuesday in another report indicating that the economy's weak industrial *sector may be on the upturn.*

The Commerce Department said orders for both durable and nondurable goods totaled a seasonally adjusted $240.98 billion and recouped their 2.1 percent loss in April.

The size of the May increase had been expected by many analysts. At the same time, the April decline was smaller than the 2.3 percent drop initially reported last month.

There have been other signs of an improving manufacturing sector, including a 0.6 percent jump in industrial production in May.

But much of the improvement has been attributed to exports. American consumers, on the other hand, have slowed their purchases, which had been a major driving *force during the 7½ years of economic expansion.*

And the construction industry remains stalled: spending fell 0.4 percent in May for its second *straight monthly decline.*

The Commerce Department said orders rose primarily because automakers facing potential labor problems stepped up production.

It said motor vehicles accounted for about half of the overall gain in May factory orders. Manufacturers are expected to build up inventories as a buffer against possible work stoppages in the autumn.

In the key category of nondefense capital goods, a barometer of business investment plans, orders slipped 1.5 percent to 36.0 billion dollars. They had fallen 10.6 percent in April after a March gain of 13.3 percent. *(AP, Reuters)*

Romania Will Miss Out On Western Aid to East

Compiled by Our Staff From Dispatches

BRUSSELS — Foreign ministers from 24 rich nations, including the United States and Japan, are expected Wednesday to expand an aid program for Poland and Hungary to four other Eastern European countries.

Czechoslovakia, Bulgaria, Yugoslavia and East Germany will likely be included in the program, launched last year by the so-called "Group of 24" to help the transition to market economies.

Romania was not invited to the meeting and will not be included in the aid program, due to last month's violent suppression of demonstrations in Bucharest.

The program, worth hundreds of millions of dollars in professional training, food aid and technical assistance, is being coordinated by the EC Commission.

EC foreign ministers suspended completion of a trade pact with Romania last month, citing the government's use of *"indiscriminate force"* in stifling protest.

"We cannot accept the measures that the public authorities there have put in order," said EC external relations commissioner Frans Andriessen, who previously favored helping Romania.

The Community alone has earmarked $375 million to support economic reforms in Poland and Hungary this year. A recent status report said Poland had already received 1.3 million tons of cereals plus large amounts of meat and other foods.

The Group of 24 includes the 12 EC nations and seven other European countries, plus the United States, Canada, Japan, Australia and New Zealand.

The U.S. secretary of state, James A. Baker 3d, and many other *foreign ministers were due to leave* from the Group of 24 meeting for the two-day NATO summit in London, which begins Thursday.

France and West Germany could use the G-24 meeting to sound out donors on their plan, unveiled at the EC summit meeting last week, for a $15 billion aid package for the Soviet Union.

But the proposal could run into objections from the United States, Britain and Japan that any handouts would be wasted so long as the Soviet Union fails to make far-reaching economic reforms.

Japan's acting ambassador to the Community, Motoi Okubo, gave advance notice to journalists here Monday of his country's likely riposte: "You don't help diabetics by giving them sugar."

The Soviet Union, he observed, has huge reserves of oil, gold and other minerals, which it could exploit properly by having a market economy and an efficient distribution system.

Aid to the Kremlin will likely be debated at this week's summit in London of the leaders of the 16 nations of the North Atlantic Treaty Organization and also next week at the economic summit meeting of the seven largest industrialized nations in Houston, Texas.

(UPI, AFP, Reuters, AP)

CURRENCY RATES

Cross Rates

July 3

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8645	3.305	1.1256	0.3354	0.1533*	—	5.476*	1.3314	1.2292*	1.6015	1.833*
Brussels	34.0525	60.3175	20.551	6.126	2.8087*	18.26	—	24.3175	0.2244	29.275	0.3349*
Frankfurt	1.657	2.936	—	0.2981	0.1363*	0.8885	4.867*	1.1834	1.092*	1.4342	1.63*
London (a)	1.775	—	2.9328	9.9405	2,148.50	3.3043	60.285	2.4735	268.43	2.0588	179.46
Madrid	101.665	180.330	61.289	18.288	8.359*	54.515	2.9859	72.40	67.80*	87.25	—
Milan	1,216.50	2,153.00	733.58	218.44	—	651.71	35.692	867.46	8.809	1,040.50	11.952
New York (b)	—	1.7716 a	1.6585	5.54	1,231.25	1.858	33.905	1.393	150.95	1.162	101.30
Paris	5.5585	9.8475	3.3548	—	0.4574*	2.9800	0.1633	3.988	3.6634*	4.774	5.468*
Tokyo	151.70	268.55	91.61	27.30	0.125	81.41	4.4618	108.28	—	130.61	1.493
Toronto	1.1609	2.0643	0.7042	0.2088	0.9601*	0.6257	3.415*	0.8343	0.7702*	—	1.149*
Zurich	1.3968	2.4746	0.8444	0.2516	0.1149*	0.7489	4.1038*	—	0.923*	1.2003	1.3712*
1 ECU	1.3076	0.7042	2.066	6.9296	1,514.97	2.3255	42.4544	1.7466	189.167	1.4517	126.764
1 SDR	1.3319	0.7517	2.2068	N.Q.	1,628.08	2.4833	45.3538	N.Q.	202.046	N.Q.	135.486

Closings in London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5300.2	Greek drac.	161.90	Mex. peso	2859.01	S. Afr. rand	2.6475
Austral. $	1.2995	Hong Kong $	7.7842	N. Zealand $	1.6935	Soviet ruble*	0.5922
Austr. schil.	11.63	Indian rupee	17.513	Norw. krone	6.366	Swed. krona	6.007
Brazil cruz.	67.00	Indo. rupiah	1845.02	Phil. peso	22.00	Taiwan $	26.90
Chinese yuan*	4.72	Irish £	0.6175	Port. escudo	145.42	Thai baht	25.64
Danish krone	6.3015	Israeli shek.	2.01	Saudi riyal	3.7475	Turkish lira	2627.00
Egypt. pound	2.7034	Kuwaiti dinar	0.2934	Sing. $	1.832	UAE dirham	3.67
Fin. markka	3.879	Malay. ring.	2.71	S. Kor. won	715.50	Venez. boliv.	48.80

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7589	1.7498	1.7410	Canadian dollar	1.1693	1.1740	1.1788
Japanese yen	151.47	151.27	151.32	Swiss franc	1.3989	1.3979	1.3973
Deutsche mark	1.6557	1.6557	1.6558				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

July 3

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 1/16-8 3/16	8-8⅛	9-9⅛	14 13/16-14 15/16	9 5/16-9 7/16	7⅜-7½	9⅞-10	8¼
2 months	8 3/16-8 5/16	8 1/16-8 3/16	8 15/16-9 1/16	14 13/16-14 15/16	9⅞-10	7 5/16-7 7/16	10 1/16-10 3/16	8¼
3 months	8 3/16-8 5/16	8⅛-8¼	8 15/16-9 1/16	14 13/16-14 15/16	9 15/16-10 1/16	7 5/16-7 7/16	10 1/16-10 3/16	8⅞
6 months	8¼-8⅜	8⅜-8½	8 13/16-8 15/16	14⅝-14¾	10 1/16-10 3/16	7⅝-7¾	10⅜-10½	9
1 year	8 5/16-8 7/16	8 11/16-8 13/16	8 9/16-8 11/16	14½-14⅝	10¼-10⅜	7⅝-7¾	10½-10⅝	9 1/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

July 3

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 5/16	8 5/16
Com paper 90-179 days	7.92	7.85
3-month Treasury bills	7.69	7.71
6-month Treasury bills	7.59	7.59
1-year Treasury bills	7.46	7.46
30-year Treasury bond	8.39	8.40
2-month CD's	8.15	8.20
3-month CD's	8.20	8.25
Japan		
Discount rate	5¼	5¼
Call money	7 5/16	7 11/32
1-month interbank	7 7/16	7 7/16
3-month interbank	7 7/16	7 7/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.00	8.00
1-month interbank	8.00	8.00
3-month interbank	8.15	8.15
6-month interbank	8.50	8.50
Britain		
Bank base rate	15.00	15.00
Call money	15.00	14⅞
3-month interbank	14 15/16	14 15/16
6-month interbank	14⅞	14 29/32
France		
Intervention rate	9½	9½
Call money	10.00	10⅛
1-month interbank	9⅞	9⅞
3-month interbank	9 15/16	10.00
6-month interbank	10⅛	10⅛

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

July 2

1 month	8¼ - 8⅜
2 months	8¼ - 8⅜
3 months	8¼ - 8⅜
6 months	8¼ - 8⅜
1 year	8 5/16 - 8 7/16

Source: Reuters.

U.S. Money Market Funds

July 3

Merrill Lynch Ready Assets
30-day average yield: 7.80
Telerate Interest Rate Index: 8.095

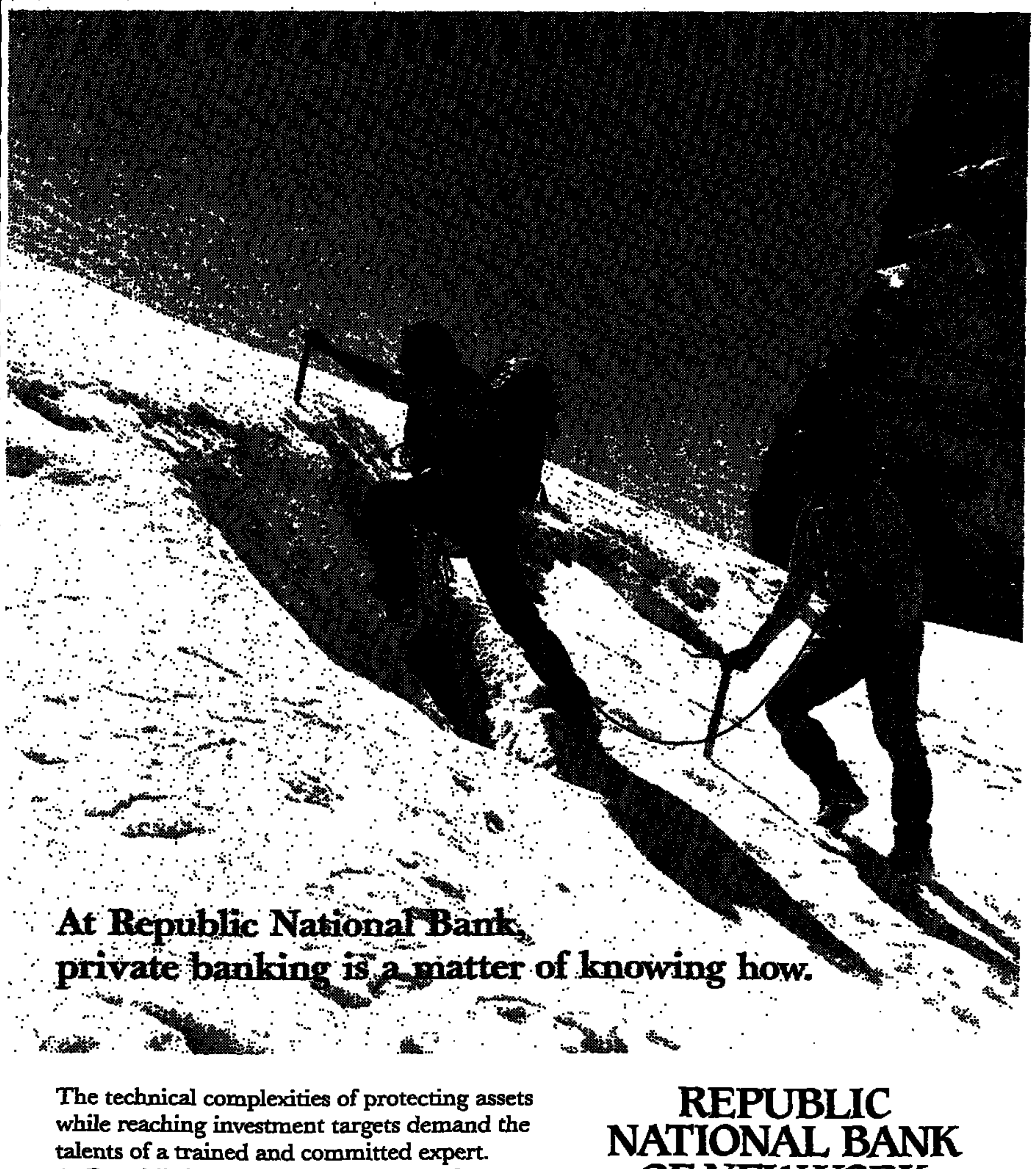
Source: Merrill Lynch, Telerate.

GOLD

July 3

	A.M.	P.M.	Ch'ge
Hong Kong	357.85	357.55	+0.40
Luxembourg	357.55	—	+0.40
Paris (12.5 kilo)	358.82	358.68	+1.86
Zurich	357.65	361.25	+3.40
London	357.40	362.00	+4.60
New York	—	361.50	+3.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.



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MARKET DIARY

Blue Chip Buying Lifts U.S. Stocks

Reuters

NEW YORK — Stock prices rose on Wall Street on Tuesday as buying in selected blue chip issues outweighed, at least for now, concerns that corporate earnings for the second quarter will be poor.

The Dow Jones industrial average closed 12.37 points up at 2,911.63.

Trading was slow before Wednesday's Fourth of July Independence Day holiday, with 130 million shares traded on the New York Stock Exchange. Advances led declines about a 4-3 margin.

N.Y. Stocks

The Dow's rally through the psychological barrier of 2,900 points helped support the market. That level was an obstacle in June when the Dow struggled to extend May's upswing of some 300 points.

But activity was subdued as large traders preferred to stay on the sidelines before Friday's U.S. employment report for June, which could be a turning point for the Federal Reserve to lower interest rates if the numbers highlight further economic weakness. The jobs reports were soft in April and May.

Economists forecast that the jobs data will show 99,000 new jobs were added to the nonfarm payrolls last month, with unemployment unchanged at 5.3 per cent.

Sid Dorr, head of Charles Schwab & Co.'s institutional trading, said the stock market's advance may have been influenced by new investment money coming in during the third quarter.

On the American Stock Exchange, the AMEX index gained 0.53 to 360.67, while the NASDAQ index fell 0.28 to 461.76.

The Standard & Poor's 500 index — a broad market indicator — rose 0.62 to 360.16.

Dollar Finishes Mixed In Pre-Holiday Trading

Reuters

NEW YORK — The dollar closed little changed in thin trading before the U.S. Independence Day holiday Wednesday, traders said, with the British pound again the main attraction.

"Sterling continues to look extremely healthy," said Bob Hatcher of Barclays Bank. "The other currencies were on the sidelines, although we did have a bit of dollar selling at the end of the day in thin volume."

Foreign Exchange

The British pound closed at $1.7765, down from $1.7770 at Monday's close. The pound briefly climbed above a resistance area of $1.78.

The dollar rose to 150.95 Japanese yen from 150.82 at Monday's close; it was unchanged against the Deutsche mark at 1.6505.

The Swiss franc closed at 1.393, up from 1.395 on Monday. The French franc ended at 5.5400, up slightly from 5.5413.

Prime Minister Margaret Thatcher said Britain is bound to join the European Exchange Rate *Mechanism when "the time is right,"* a day after Karl Otto Pöhl, president of the West German central bank, said the same thing.

Chuck Spence of First Interstate Bank said Mrs. Thatcher's remark "made it more vague as to timing."

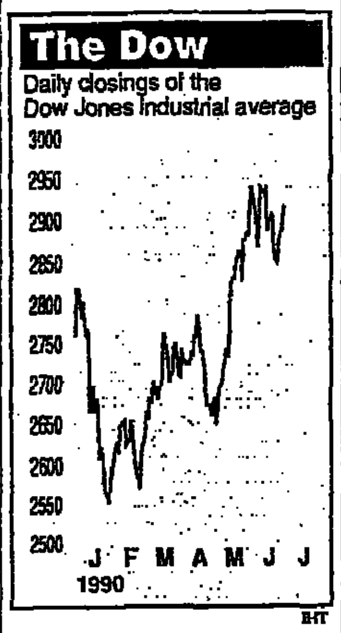
Earlier in the day, the dollar dipped in quiet European trading, while the British pound rose further on the ERM speculation.

The pound closed at $1.7685, up from $1.7615 the day before, when it rallied strongly.

The dollar was little changed against other currencies, closing at 1.65475 DM, compared with 1.65450 Monday, and at 151.47 Japanese yen, versus 151.10.

The dollar closed at 5.5560 French francs, compared with 5.5625 Monday, and at 1.3975 Swiss francs, down from 1.4020. *The Swiss currency* was buoyed by recent comments by the National Bank president warning of a more restrictive monetary policy.

Via Associated Press July 3



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr s	26051	48	47¼	48	+ ⅞
CeMPw	23245	18¾	18¼	18¾	+ ½
Enteray	19649	20⅛	19⅞	20	+ ⅛
GnInst	19509	45⅝	45⅛	45⅝	+ ½
SCEcp	14142	37⅝	37¼	37⅝	+ ⅜
Mattel	12955	23⅛	21⅝	22½	+ ⅜
PanEC	12885	24⅛	23⅝	23½	— ⅛
CarPw	11542	44¼	43½	43¾	+ ⅛
AT&T	11514	39	38⅝	38⅝	— ¼
Bevrly	11486	6⅝	6⅛	6¼	+ ⅛
AmExp	11161	31⅝	30½	31½	+ ¼
TCBY	10574	19	17⅝	17⅞	—1⅛
PrimeM	10396	8	6⅝	7⅛	— ⅜
GenEl	10064	71⅝	70⅝	71⅛	+ ⅜
BrMySq	9165	64⅝	63¾	64⅝	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Amdhl	10107	17⅛	16⅞	17	— ¼
Hithov n	8027	1⅞	1⅝	1⅞	+ ¼
WangB	6794	4⅝	4	4½	
Grenm	3843	7¾	6¼	7⅝	+1⅞
DowC rt	3040	10⅝	10⅛	10¼	— ⅜
FruitL	2961	12½	11⅞	12	— ⅜
ContAir	2750	6⅛	5⅞	6⅛	+ ⅛
EchoBy	2655	13⅛	12⅞	13	+ ⅛
MaamC	2538	5⅜	4⅞	5⅜	+ ½
Coren g	1941	6⅝	6¼	6⅝	+ ½
ENSCO	1759	4¼	4	4⅛	+ ⅛
Hasbro	1674	18⅛	17½	18	+ ½
ArWat n	1638	27⅞	27¼	27⅛	—1
A-inl sc	1516	18½	17⅞	18¼	+ ¼
A-mo sc	1456	23¾	22⅞	23½	+ ⅝

NYSE Diary

	Close	Prev.
Advanced	835	775
Declined	651	744
Unchanged	501	472
Total Issues	1987	1991
New Highs	70	48
New Lows	41	39

Amex Diary

	Close	Prev.
Advanced	295	230
Declined	263	369
Unchanged	240	229
Total Issues	798	828
New Highs	28	24
New Lows	25	19

NASDAQ Diary

	Close	Prev.
Advanced	926	900
Declined	901	968
Unchanged	2,460	2,429
Total Issues	4,287	4,289

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2906.44	2925.74	2891.34	2907.43	+ 8.17
Trans	1143.98	1149.27	1134.12	1139.96	— 4.20
Util	209.43	210.64	207.75	209.26	— 0.31
Comp	1036.17	1042.14	1029.13	1035.00	+ 0.24

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	424.19	422.44	423.71	+1.22
Transp.	276.09	274.92	275.37	—0.26
Utilities	142.00	141.38	141.58	—0.37
Finance	29.04	28.87	28.91	—0.09
SP 500	360.73	359.44	360.16	—0.62
SP 100	342.81	341.46	342.15	+0.55

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	196.77	196.44	196.61	+0.39
Industrials	244.24	243.87	244.16	+0.76
Transp.	172.68	172.19	172.68	+0.19
Utilities	92.11	92.02	92.02	—0.11
Finance	145.21	144.86	144.95	—0.09

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	461.76	—0.28	455.38	464.61
Industrials	498.62	—0.35	488.71	492.12
Finance	443.00	—1.84	447.41	467.28
Insurance	501.47	—2.81	497.67	513.78
Utilities	653.39	+4.44	640.21	668.13
Banks	333.82	+0.31	336.46	353.39
Transp.	491.37	—0.03	481.64	493.39

AMEX Stock Index

High	Low	Close	Ch'ge
360.67	359.81	360.67	+0.53

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	91.11	+0.02
Utilities	92.38	—0.06
Industrials	89.85	+0.10

Market Sales

NYSE 4 p.m. volume	130,050,000
NYSE prev. cons. close	157,447,210
Amex 4 p.m. volume	11,730,000
Amex prev. cons. close	9,850,000
NASDAQ 4 p.m. volume	131,015,000
NASDAQ prev. 4 p.m. volume	114,152,900
NYSE volume up	68,905,570
NYSE volume down	45,067,400
Amex volume up	5,430,600
Amex volume down	3,813,850
NASDAQ volume up	48,155,026
NASDAQ volume down	52,570,350

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
July 2	465,266	508,303	5,575
June 29	485,846	500,467	7,517
June 28	433,333	551,393	12,624
June 27	521,182	563,987	7,519
June 26	446,186	543,747	26,872

*Included in the sales figures

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.7025	0.7025
Coffee, lb	n.q.	0.75
Copper electrolytic, lb	1.263	1.2022
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	4.85	4.92
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	112.00	112.00
Tin, lb	3.4814	3.6973
Zinc, lb	0.87	0.83

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Currency Options

July 3

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	75	r	r	4.65	r	r	r
79.82	76	r	r	r	r	0.10	r
79.82	78	r	r	1.82	0.05	r	r
79.82	79	0.82	1.04	r	r	0.79	1.45
79.82	80	0.29	0.57	r	r	r	r
79.82	83	r	r	0.16	r	r	
31,250 British Pounds-cents per unit.							
Pound	170	r	r	r	r	0.30	1.05
177.57	172½	r	4.45	r	0.18	0.65	2.00
177.57	175	2.90	3.32	3.83	0.54	1.45	2.80
177.57	177½	1.13	1.76	2.20	1.24	2.45	r
177.57	180	r	0.60	r	r	r	6.30
31,250 British Pounds-European Style.							
177.57	170	r	r	r	r	0.40	r
177.57	172½	r	r	r	r	0.70	
50,000 Canadian Dollars-cents per unit.							
Dollr	83	r	r	r	r	r	0.11
86.05	84	r	r	r	r	0.19	0.30
86.05	84½	r	r	r	r	0.17	0.44
86.05	85	0.96	1.00	r	r	0.30	0.67
86.05	85½	0.53	0.57	0.61	0.11	0.49	0.95
86.05	86	r	r	0.42	r	0.75	1.24
50,000 Canadian Dollars-European Style.							
Dollar	84	r	r	r	r	r	0.29
86.05	84½	r	r	0.98	r	r	r
86.05	85	r	r	r	r	r	0.66
62,500 West German Marks-cents per unit.							
Mark	58½	r	r	r	s	0.02	r
60.64	59	r	r	1.64	r	0.04 0.20	0.45
60.64	59½	1.22	s	s	0.11	0.32	
60.64	60	0.87	1.06	1.20	0.14	r	0.83
60.64	60½	0.48	0.71	s	0.30	r	
60.64	61	0.24	0.60	0.77	r	0.90	r
60.64	61½	0.17	r	s	r	r	
60.64	62	0.07	0.30	0.50	1.43	r	r
60.64	62½	0.04	s	s	r	s	
60.64	63	r	0.12	0.28	r	r	
250,000 French Francs-10ths of a cent per unit.							
Franc	18	r	r	r	1.16	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	64	r	r	r	0.02	r	0.28
66.17	65	1.12	r	r	0.07	r	r
66.77	65½	r	r	s	0.15	r	
66.17	66	0.50	0.89	1.04	0.41	r	r
66.17	66½	0.29	0.63	s	r	r	
66.17	67	0.16	0.46	0.75	r	r	r
66.17	67½	r	0.34	s	r	r	
66.17	68	0.06	0.24	0.44	r	2.05	r
66.17	69	r	0.11	r	r	2.91	r
66.17	70	r	r	0.13	r	r	
6.25 mil Yen-European Style.							
66.17	70	r	r	r	r	r	3.82
62,500 Swiss Francs-cents per unit.							
Franc	68	r	r	r	r	r	0.27
71.82	70	r	r	r	r	0.33	0.63
71.82	70½	r	1.50	s	r	r	
71.82	71	1.02	r	1.69	r	0.56	r
71.82	71½	0.61	r	s	0.34	r	
71.82	72	0.46	0.74	r	r	1.06	r
71.82	73	r	0.48	0.79	r	r	
71.82	74	r	0.25	0.51	r	r	

Total call vol. 38,867 Call open int. 387,587
Total put vol. 11,679 Put open int. 327,730
r—Not traded. s—No option offered.
Last is premium (purchase price).

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
JHM Mtge Scrts LP	Q	.30	8-9	7-31
Zweig Total Ret Fd	M	.08	7-25	7-12
INCREASED				
Amer RestzPtnrs	Q	.37½	7-31	7-13
Blue Chip Val Fnd	-	.20	7-27	7-13
Jackpot Enterprises	Q	.08	7-31	7-17
Nevada Power Co	Q	.40	8-1	7-12
Noland Co	Q	.11½	7-26	7-16
OMITTED				
Action Savings Bank				
STOCK SPLIT				
Rainbow Technologies Inc — 2-for-1				
USUAL				
AIM Strat Incm Fd	M	.08	7-23	7-13
Bolt Beranek Newm	S	.03	8-23	8-7
Commercial Metals	Q	.13	7-27	7-13
Cubic Corp	S	.24	9-7	8-10
Flamemaster Corp	Q	.02½	7-30	7-11
General Instrument	Q	.12½	10-1	9-3
McGrath RentCorp	Q	.16	7-31	7-17
National City Corp	Q	.47	8-1	7-18
New Jersey Steel	Q	.15	8-1	7-15
Prem Bnkshrs Cp	Q	.10	8-1	7-15
Pulitzer Publishing	Q	.12½	8-1	7-12
RAC Income Fund	M	.10½	7-31	7-13
Reader's Digest	Q	.12	8-1	7-18
Sterling Chemicals	-	.25	7-25	7-13
X-Rite Inc	Q	.03	8-13	7-16

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	296.40	297.00	298.20	296.00	296.80	297.40
Oct	273.60	293.80	296.00	292.80	294.20	295.00
Dec	281.00	300.00	294.00	284.00	281.00	298.00
Mar	278.00	278.40	281.80	278.00	280.80	281.00
May	277.00	278.60	281.20	279.60	280.60	281.80
Aug	276.00	277.60	280.80	278.00	279.00	280.00
Oct	271.80	273.40	277.00	275.00	274.80	275.00
Volume: 4,081 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Jul	777	779	785	774	763	764
Sep	803	805	813	796	793	794
Dec	828	829	840	822	823	824
Mar	851	852	860	846	845	846
May	871	872	879	865	864	866
Jul	892	894	897	888	882	884
Sep	905	914	910	905	900	903
Volume: 6,297 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Jul	548	549	560	544	538	539
Sep	574	575	591	570	564	565
Nov	596	597	614	594	585	586
Jan	616	618	629	610	605	606
Mar	636	637	642	634	622	623
May	653	656	660	654	640	642
Jul	670	667	673	N.T.	650	658
Volume: 4,734 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Jul	144.00	144.25	145.50	143.75	144.75	145.00
Aug	145.25	145.50	146.50	144.50	145.25	145.50
Sep	146.75	147.00	148.00	146.75	147.25	147.50
Oct	150.00	150.25	151.00	149.75	150.50	150.75
Nov	152.00	152.25	153.00	152.00	151.50	152.25
Dec	153.75	154.00	154.50	153.75	153.50	154.00
Jan	—	154.50	155.00	154.25	154.00	155.00
Feb	151.50	152.50	153.00	151.50	150.00	151.00
Mar	144.00	144.25	147.00	144.00	140.00	145.00
Volume: 6,256 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Aug	2,215	2,185	2,187	2,190	—15
Oct	2,070	2,040	2,044	2,045	—6
Dec	2,030	2,020	2,005	2,025	—10
Mar	2,015	2,010	1,970	2,010	—5
May	N.T.	N.T.	2,080	2,010	—
Aug	N.T.	N.T.	2,000	2,010	—5

Est. vol.: 1,196 lots of 50 tons. Prev. actual sales: 1,571 lots. Open interest: 18,443.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1495.00	1496.00	1530.00	1533.00
Forward	1554.00	1555.00	1556.00	1557.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1495.00	1496.00	1497.00	1499.00
Forward	1458.00	1460.00	1465.00	1466.00
LEAD Sterling per metric ton				
Spot	508.00	508.50	516.00	518.00
Forward	508.00	509.00	513.00	514.00
NICKEL Dollars per metric ton				
Spot	8650.00	8675.00	8590.00	8610.00
Forward	8625.00	8650.00	8625.00	8630.00
TIN Dollars per metric ton				
Spot	6015.00	6030.00	6020.00	6030.00
Forward	6140.00	6150.00	6145.00	6150.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1690.00	1693.00	1715.00	1717.00
Forward	1620.00	1621.00	1630.00	1633.00

S&P 100 Index Options

July 3

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
295	—	—	—	—	⅛	—	—	—
300	—	—	—	—	⅛	⅝	—	—
305	37⅜	—	—	—	⅛	⅝	—	—
310	—	—	—	—	⅛	1	2⅛	—
315	29	—	33	—	⅛	1⅜	—	—
320	22⅝	—	28⅝	—	⅛	1⅞	3½	4⅝
325	17⅝	21⅞	—	—	¼	2½	4⅝	—
330	14½	17⅞	—	—	1⅛	3⅛	5½	7
335	9⅝	12⅞	17½	—	1⅞	4⅝	6⅞	—
340	6½	10	13½	—	3⅞	6⅛	8½	11
345	3⅝	7⅛	10⅜	—	5⅝	8½	10½	—
350	1⅝	4⅝	7⅝	—	9	11½	13⅝	—
355	⅝	2⅝	5½	—	12⅝	14	—	—
360	⅜	1⅝	3⅝	—	18⅝	18⅝	20	—
365	⅛	15/16	2⅝	—	—	—	22½	—

Calls: total vol. 36,278; total open int. 345,197
Puts: total vol. 41,389; total open int. 36,591
S&P 100 index: High 342.81 low 46 close 342.15 +0.55
Source: CBOE.

U.S./AT THE CLOSE

Northwest in Talks With Machinists About Purchase of Eastern Airlines

MINNEAPOLIS (AP) — The chairman of Northwest Airlines, Alfred Checchi, has requested a meeting with the International Association of Machinists to discuss the possibility of Northwest buying Eastern Airlines, a union spokesman said Tuesday.

Officials at Northwest would not comment on whether Eastern was a possible takeover target. Mr. Checchi has repeatedly made public his intention to expand the carrier, possibly by buying an entire airline or parts of one.

Jim Conley, a spokesman for the machinists, said union officials met Monday in Washington to discuss the problems of integrating the Eastern employees into the Northwest operation. He said the meeting was a prelude to a meeting with Mr. Checchi.

Chrysler Executives Granted Bonus

DETROIT (AP) — Chrysler Corp. confirmed Tuesday that it will issue one-time stock awards to about 1,800 key executives, partly to stem a rate of resignations that is three times its normal level.

A company spokesman, Lee Sechler, said the awards were issued following board approval last week after the No. 3 car maker determined that its compensation for senior management was noncompetitive. The awards were placed in trust and will not be granted until January 1991 at whatever price the stock is at that time.

Lotus Sues Rivals in Copyright Case

NEW YORK (NYT) — Acting swiftly to capitalize on last week's federal court ruling giving copyright protection to the set of computer commands used in its popular 1-2-3 spreadsheet program, Lotus Development Corp. sued two California software companies Monday, accusing them of copyright infringement.

Lotus officials said they had waited for the earlier ruling before pursuing publishers that offered products with commands similar to those of Lotus 1-2-3. The suits Monday named Borland International and the Santa Cruz Operation as defendants.

French Firm and GE to Build Engine

EVENDALE, Ohio (Reuters) — The GE Aircraft Engines unit of General Electric Co. said Tuesday that it had signed a formal agreement with SNECMA of France that gives SNECMA a 25 percent share in the development and production of an advanced, very-high-thrust engine.

SNECMA's participation in the GE90 program will involve the design and manufacture of parts and about 40 percent of assembly and testing.

Rhodium Soars by $1,000

Reuters

LONDON — Rhodium on Tuesday set a new peak price on the free market of $7,000 a troy ounce, a rise of $1,000 from late Monday and $4,450 from a month ago.

At about the same time, gold was being quoted around $358 an ounce and platinum at $487 an ounce. Metal market analysts see rhodium, a much scarcer metal, heading higher still, possibly up to $10,000.

The metal is a key ingredient in catalytic converters which change car exhaust fumes into harmless gases.

The market continues to reflect reduced supplies from South Africa's Rustenburg refinery, sporadic production from the Soviet Union and sustained demand from makers of catalytic converters in Japan, Western Europe and the U.S., traders said.

The bulk of the world's rhodium production of 330,000 ounces a year is committed to long-term contracts. Only 30.000 to 60.000 ounces appear on the spot market, leaving few opportunities for manipulation.

Unity Expected to Boost German Stocks Further

Reuters

FRANKFURT — West German shares will hit new highs by the end of 1990, boosted by expectations that the opening of East Germany and other east bloc countries will bring windfall profits for West German firms, analysts predicted Tuesday.

They said the 30-share DAX index will reach at least the 2,000-level by December, beating the 1,976.43 March 30 record. On Tuesday it closed at 1,906.23.

But prices are likely to remain extremely volatile in the next six months, with news from East Germany likely to cause sharp swings in share prices, analysts said.

"Germany is going to experience a second economic miracle some time within the next five years which will mean share prices will probably double," said Jürgen Röthig of Baring Bros Securities.

But in the short-term, the outlook is less certain, he added.

"News from East Germany, whether good or bad, is going to have a sharp effect on prices here," Maximillian Mudra of Bankhaus Metzler said in Frankfurt. "We are certainly going to see more volatility."

The first nationwide free German elections since 1932, set for Dec. 2, will probably be positive for German shares, analysts said, especially if there is a conservative victory.

But analysts said doubts remained about the economic impact of unity, although there are no signs yet of a feared spending spree by East Germans anxious to offload their new Deutsche marks.

News from East Germany has been the major factor driving West German stocks since the Berlin Wall fell in November.

WORLD STOCK MARKETS

Agence France Presse July 3

Amsterdam

	Close	Prev.
ABN Bank	37.70	37.50
ACF Holding	39.90	40
Aegon	132.10	131.30
Ahold	147.10	147.40
Akzo	123.40	122.30
AMEV	58.50	59.30
A'Dam Rubber	5.55	5.50
Amro Bank	75.20	75
Bols	185.50	185.30
Buhrmann Tett	73.20	72.90
BVG	N.Q.	—
Center Parcs	59.80	60.50
CSM	86.10	86.10
DAF	30.50	30.60
DSM	118.10	117.50
Elsevier	91.70	91.40
Fokker	48.10	48.20
Gist-Brocades	34.90	34.80
Heineken	130.70	130.50
Hoogovens	72.40	72.20
Hunter Douglas	95	95.50
IHC Caland	56	56
Inter Mueller	99.20	98.80
KLM	36.20	36
KNP	45.90	45.70
Nat Neder	73.70	73.80
Nedlloyd	74.70	76.80
NMB Bank	49.90	50.10
Oce Grinten	61.80	62.20
Pakhoed	203	202.50
Philips	31.50	30.70
Robeco	100	99.50
Rodamco	80.60	80.60
Rolinco	100.30	99.90
Rorento	59.70	59.60
Royal Dutch	140.50	140.70
Unilever	161	160.70
Van Ommeren	45.10	46
VMF Stork	55.10	55.10
VNU	101.50	101
Wessanen	75.20	74.70
Wolters/Kluwer	53	52.40

CBS Gen'l trend index : 121.50
Previous : 121.50

Brussels

	Close	Prev.
AG Fin	9850	9890
Arbed	5250	5300
Barco	2360	2385
Bekaert	14325	14300
Cockerill	188	191
Cobepa	5630	5690
Delhaize	6450	6420
EBES	3735	3750
GB-Inno-BM	1340	1360
GBL	3965	N.Q.
Gevaert	8470	8500
Hoboken	19050	19025
Intercom	3175	3190
Kredietbank	3925	3945
Petrofina	11850	11850
Royal Belge	5600	5580
Soc Gen Banque	5290	5300
Soc Gen Belgique	3320	3305
Sofina	13425	13550
Solvay	13650	13725
Tractebel	8330	8330
UCB	22650	22350
Unerg Ps	2295	2295

Current Stock Index : 6,081.62
Previous : 6,086.30

Frankfurt

	Close	Prev.
AEG	305.50	306.50
Allianz Hold	2830	2846
Altana	562.50	549
Asko	948	939
BASF	270.30	272.50
Bayer	280.60	280.70
Bay Vereinsbk	401.80	399.50
BBC	876	885
BHF Bank	483	487
BMW	594	589
Commerzbank	286	286
Continental	303.50	301
Daimler Benz	858	861
Degussa	484.30	489.50
Dt Babcock	223	222.80
Deutsche Bank	808	811.50
Douglas	907.50	904
Dresdner Bank	434.50	432.50
Feldmuehle	516	514.50
Harpener	463	460
Henkel	648	648
Hochtief	1435	1405
Hoechst	263.60	267.10
Hoesch	332.50	332.20
Holzmann	1670	1665
Horten	265	258
IWKA	422	426
Kali Salz	271.50	274
Karstadt	720	717
Kaufhof	673	667.50
KHD	283	287
Kloeckner Werke	221	224
Krupp Stahl	393	393
Linde	1060	1032
Lufthansa	174	178.50
MAN	475	478
Mannesmann	361.50	362.80
Metallgesell	666	671.50
Muench Rueck	2500	2490
Nixdorf	308	317
PKI	520	530
Porsche	1242	1238
Preussag	453	457.50
PWA	313	312
RWE	498.50	507.50
Rheinmetall	447	443
Schering	771.50	772.50
SEL	394.50	401.50
Siemens	762.70	768.50
Thyssen	288.20	287.50
Varta	380	383
Veba	446.20	449
VEW	224	225
Viag	416.70	423
Volkswagen	637.50	640
Wella	763	762

DAX Index : 1986.23
Previous : 1975.30
FAZ Index : 887.32
Previous : 885.18

Helsinki

	Close	Prev.
Amer A	118	122
Enso-Gutzeit	30.80	30.50
K.O.P.	48	47
Kymmene	83.50	85
Nokia	108	100
Pohjola	130	138
Stockmann	190	185
United Papers	135	132
Wartsila	400	400

Unitas Index : 539.00
Previous : 546.50

Hong Kong

	Close	Prev.
Bk East Asia	15.50	15.50
Cathay Pacific	9.85	9.55
Cavendish Int'l	3.78	3.75
Cheung Kong	13.10	12.90
China Light Pwr	14.90	14.70
Dairy Farm Int'l	9.95	9.95
Hang Lung Dev	5.80	5.85
Hang Seng Bank	21	21
Henderson Land	8.25	8.20
HK Air Eng.	20.50	20.20
HK China Gas	12.10	12.10
HK Electric	8.80	8.85
HK Land	8.60	8.45
HK Realty Trust	4.90	4.90
HK Shang Bank	6.10	5.80
HK Shang Htls	5.20	5.10
HK Telecomm	6.30	6.30
HK Ferry	5.25	5.25
Hutch Whampoa	12.20	12
Hysan Dev	1.34	1.32
Jardine Math.	33.25	32.25
Jardine Str Hld	17.80	17.60
Kowloon Motor	6.70	6.50
Mandarin Orient	6.05	6.20
Miramar Hotel	6.95	7.10
New World Dev	11.60	11.60
SHK Props	15.30	15.10
Stelux	4.43	4.33
Swire Pac A	20.90	21.10
Tai Cheung Prps	4.28	4.25
TVE	1.04	1.01
Wharf Hold	8.75	8.55
Wing On Co	7.40	7.35
Winsor Ind.	8.55	8.60
World Int'l	4.43	4.40

Hang Seng Index : 3356.55
Previous : 3319.47

Johannesburg

	Close	Prev.
AECI	17.25	17.25
Altech	71	70
Anglo Amer	117.50	117.50
Barlows	36.75	36.50
Blyvoor	10.50	10.50
Buffels	61	63.50
GFSA	78	79
Harmony	26.25	25.50
Highveld Steel	16.50	16.75
Kloof	38	38.50
Nedbank Grp	10.30	10.25
Rusplat	88.50	89.50
SA Brews	40	39.50
St Helena	36	36
Sasol	12.65	12.50
Welkom	23	23
Western Deep	129	128

Composite Stock Index : 3092
Previous : 3106

London

	Close	Prev.
Allied Lyons	5.05	5.05
Anglo Am Gld	43.38	44.03
AA Corp	16.31	16.25
Asda-MFI Gp	1.13	1.14
Ass Brit Foods	4	3.93
Barclays	3.85	3.92
Bass	10.93	11
B.A.T.	6.45	6.52
Blue Circle	2.40	2.49
BOC Group	5.85	6.02
Boots	2.92	2.95
Bowater	5.28	5.28
BAe	5.32	5.22
BAA	4.34	4.27
Brit Airways	2.10	2.13
British Gas	2.25	2.24
BP	3.19	3.18
British Steel	1.43	1.44
Brit Telecom	3.08	3.01
BTR	4.23	4.24
Burmah Oil	6.43	6.30
Cable Wire	5.55	5.50
Cadbury Sch	3.60	3.67
Charter Cons	4.60	4.60
Comm Union	5.08	5.11
Cookson	2.84	N.A.
Courtaulds	3.58	3.60
Dalgety	3.77	3.78
De Beers	N.Q.	—
Dixons	1.44	1.44
Driefontein	6.36	6.43
Eurotunnel	4.78	4.85
Fisons	3.73	3.70
Gen Acc F	11.35	11.44
GEC	2.03	1.97
GKN	4.08	4.07
Glaxo	8.29	8.35
Grand Met	6.56	6.54
GI Univ Stores	13.50	13.50
GRE	2.35	2.40
Guinness	7.89	7.97
Hanson Tr	2.39	2.40
Hawker Sidd	6.30	6.42
ICI	11.50	11.47
Kingfisher	3.41	3.47
Land Sec	5.23	5.18
Legal Gen Grp	4.22	4.35
Lloyds Bank	2.80	2.83
Lonrho	2.68	2.64
Lucas Ind	1.69	1.70
Marks Sp	2.35	2.36
Maxwell	1.92	1.88
MB Group	2.11	2.14
Midland Bk	2.88	2.85
NatWest	3.17	3.20
Pearson Grp	7.78	7.75
P and O	6.45	6.49
Pilkington	2.02	2.03
Prudential	2.32	2.34
Racal Elec	2.06	2.01
Randfontein	N.A.	2.64
Rank Org	8.53	8.72
Reed Int'l	4.74	4.65
Reuters	12.87	12.57
Rolls Royce	2.27	2.28
Royal Dutch	42.63	43.06
RTZ	5.65	5.63
Saatchi	0.85	0.86
Sainsbury	2.96	2.90
Sears Holds	0.92	0.96
Shell	4.52	4.56
Siebe	5.47	5.40
STC	2.65	2.58
Std Chart Bk	4.60	4.53
Storehouse	1.24	1.21
Sun Alliance	3.43	3.42
Tate and Lyle	3.07	3
Tesco	2.24	2.25
Thorn EMI	7.78	7.83
T.I. Group	5.07	5.04
Trafalgar Hse	3.07	3.04
THF	3.10	3.11
Ultramar	3.38	3.33
Unilever	7.12	7.13
Utd Biscuits	3.57	3.55
Vickers	2.34	2.31
War Loan 3½	32.63	32.94
Wellcome	6.20	6.12
Woolworth	18.75	18.75

F.T. 30 Index : 1894.70
Previous : 1896.30
F.T.S.E. 100 Index : 2371.70
Previous : 2372.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3550	3515
Banco Central	4905	4900
Bco. Santander	5150	5010
Banesto	4040	3960
CEPSA	2170	2120
Dragados	3305	3295
Iberduero	705	709
Telefonica	873	870

S.E. General Index : 298.48
Previous : 297.25

Milan

	Close	Prev.
Banca Comm	5185	5225
Bastogi	316	316
Cigahotels	5750	5712
CIR	5380	5290
Cred Ital	2685	2685
Enimont	1465	1470
Eridania	9800	9700
Ferruzzi Fin.	2910	2960
Ferruzzi Agr.	2715	2725
Fiat SPA	9790	9875
Generali	42950	42450
IFI	27100	27400
Italcem	15370	15550
Italgas	2960	2980
Italmobiliare	23050	23100
Mediobanca	20950	21000
Montedison	1993	2010
Olivetti	6320	6450
Pirelli	2488	2495
RAS	25900	26400
Rinascente	7750	7830
Saipem	2725	2797
SIP	1620	1625
SME	4650	4685
Snia	2620	2640
Standa	31650	31600
Stet	6870	6875
Toro Assi Risp	25900	26400

a: x 100.
MIB Current Index : 1082.98
Previous : 1088.00

Montreal

	Close	Prev.
Alcan Aluminum	26½	26¼
Bank Montreal	28	28⅛
Bell Canada	38⅝	39⅛
Bombardier A	19	19¼
Bombardier B	19	18⅞
Cambior	12	11⅞
Cascades	3.90	3.95
Dominion Text A	N.A.	11⅞
Donohue	N.Q.	11¼
MacMillan Bl	18	18
Memotec	8⅝	8⅞
Natl Bk Canada	9½	9⅝
Noverco	15⅛	15⅝
Power Corp.	14⅞	15
Provigo	8⅛	8⅜
Quebec Tel	14¼	14
Quebecor A	N.Q.	—
Quebecor B	11⅛	11¼
Videotron	13⅛	13½

Industrials Index : 1660.02
Previous : 1646.49

Paris

	Close	Prev.
Accor	1065	1045
Air Liquide	788	787
Avions Dassault	522	525
Bancaire (Cie)	611	597
BIC	660	668
Bongrain	3345	3319
Bouygues	656	659
BSN-GD	860	860
Carrefour	3600	3590
Cerus	371.50	366
C.G.E.	635	634
Chargeurs	1031	1017
Club Med	644	630
Dumez	600	590
Elf-Aquitaine	664	665
Europe 1	1327	1324
Gen. Eaux	2675	2652
Hachette	340	335
Havas	644	646
Imetal	363.50	362
Lafarge Coppee	456	455
Legrand	4540	4505
Oreal (L')	5520	5430
L.V.M.H.	4531	4559
Matra	363	363
Merlin Gerin	6280	6270
Michelin B	104.30	103.80
Moulinex	108.50	106.20
Occidentale	768	770
Paribas	638	638
Pernod-Ricard	1228	1232
Perrier	1504	1537
Peugeot	777	809
Printemps (Au)	649	658
Radiotechnique	710	720
Raff. St. Louis	1572	1580
Redoute (La)	3215	3280
Roussel Uclaf	2290	2240
Saint Gobain	578	582
Sanofi	962	955
Skis Rossignol	1045	1049
Ste Generale A	554	551
Suez	434.50	436.50
Telemecanique	5340	5200
Thomson-CSF	122	121.90
Total	697	699
Valeo	556	573

CAC 40 Index : 2031.98
Previous : 2027.54

Sao Paulo

	Close	Prev.
Banco do Brasil	17.50	16.70
Bradesco	1.19	1.10
Brahma	3.20	3
Paranapanema	0.84	0.78
Petrobras	145	154
Vale Rio Doce	33.40	30.80
Varig	19.10	17.50

Bovespa Index : 19959
Previous : 18557

Market Closed

The stock market in Singapore was closed Tuesday for a holiday.

Stockholm

	Close	Prev.
AGA	325	325
Alfa Laval	285	280
Asea	820	810
Astra -A	555	553
Atlas Copco	N.Q.	360
Electrolux B	257	256
Ericsson	1400	1375
Esselte-A	238	237
Handelsbanken	132	131
Pharmacia-A	223	218
Norsk Hydro	192	194
Saab-Scania	300	295
Sandvik	325	320
SCA-A	130	130
S-E. Banken	80	82.50
Skandia F	202	199
Skanska	487	490
SKF	183	184
Stora	364	357
Volvo	340	330

Affaersvaerlden : 1344.10
Previous : 1335.40

Sydney

	Close	Prev.
ANZ	4.95	4.92
BHP	9.54	9.36
Bond	0.13	0.13
Boral	3.46	3.43
Bougainville	0.95	0.90
Coles Myer	7.78	7.60
Comalco	4.05	4.05
CRA	12.25	12.20
CSR	5.20	5
Dunlop	5.06	5.04
Elders IXL	1.73	1.71
ICI Australia	4.60	4.63
Magellan	1.63	1.60
MIM	2.32	2.27
Nat Aust Bank	6.48	6.40
News Corp	11.98	11.45
N Broken Hill	2.43	2.37
Poseidon	2.10	2.10
QCT Resources	1.40	1.40
Santos	4.17	4.10
TNT	2.61	2.58
Western Mining	4.60	4.52
Westpac Banking	4.72	4.70
Woodside	2.72	2.70

All Ordinaries Index : 1512.80
Previous : 1496.00

Tokyo

	Close	Prev.
Akai Electr	1030	1020
Asahi Chemical	905	884
Asahi Glass	1880	1880
Bank of Tokyo	1460	1460
Bridgestone	1510	1520
Canon	1860	1870
Casio	1590	1620
C.Itoh	802	805
Dai Nippon Print	1890	1880
Daiwa House	2600	2590
Daiwa Securities	1500	1580
Fanuc	7820	7550
Fuji Bank	2550	2650
Fuji Photo	4670	4630
Fujitsu	1430	1460
Hitachi	1490	1490
Hitachi Cable	1208	1180
Honda	1750	1780
Ito Yokado	3940	3920
Japan Air Lines	18000	17900
Kajima	1960	1960
Kansai Power	3370	3350
Kawasaki Steel	577	570
Kirin Brewery	1860	1880
Komatsu	1210	1190
Kubota	1030	1030
Kyocera	9080	8900
Matsu Elec Inds	2130	2130
Matsu Elec Wks	2130	2090
Mitsubishi Bk	2340	2340
Mitsubishi Kasei	737	740
Mitsubishi Elec	972	985
Mitsubishi Hev	991	999
Mitsubishi Corp	1510	1480
Mitsui and Co	905	890
Mitsukoshi	1770	1780
Mitsumi	1530	1450
NEC	1950	1960
NGK Insulators	1510	1510
Nikko Securities	1240	1230
Nippon Kogaku	1690	1680
Nippon Oil	1350	1280
Nippon Steel	560	575
Nippon Yusen	880	868
Nissan	1080	1100
Nomura Sec	2250	2260
NTT (SF)	9985	10006
Olympus Optical	1550	1590
Pioneer	6440	6390
Ricoh	1100	1130
Sanyo Elec	892	907
Sharp	1850	1870
Shimazu	1200	1220
Shinetsu Chem	1880	1840
Sony	8870	8860
Sumitomo Bk	2410	2420
Sumitomo Chem	668	674
Sumi Marine	1030	1030
Sumitomo Metal	566	570
Taisei Corp	1340	1340
Taisho Marine	1040	1020
Takeda Chem	1690	1700
TDK	7500	7400
Teijin	728	721
Tokyo Marine	1360	1340
Tokyo Elec Pw	4190	4200
Toppan Printing	1750	1720
Toray Ind.	764	767
Toshiba	1070	1070
Toyota	2300	2310
Yamaichi Sec	1270	1270

Nikkei 225 : 32415
Previous : 32160
Topix Index : 2349
Previous : 2349

Toronto

	Close	Prev.
Abitibi Price	15¾	15⅞
Agnico Eagle	8	8
Air Canada	10¼	10⅛
Alberta Energy	15⅝	15¾
Am Barrick Res	23¼	22⅝
BCE	39	N.Q.
BCED	0.36	0⅝
Bk Nova Scotia	14	14⅛
BC Gas	15	15⅛
BC Phone	18¾	18¼
BP Canada	18⅝	18½
Bramalea	12½	12¼
Brunswick	9⅝	9
CAE	6⅝	6½
Campeau	1.40	1.60
CIBC	26⅝	26¾
Canadian Pacific	20⅛	20⅜
Can Packers	10⅝	10⅝
Can Tire A	19.80	20
Cantor	28⅝	28
Cara	17¼	17⅛
CCL Ind B	9¼	9⅛
Cineplex	6	6⅛
Cominco	25⅝	26⅛
Conwest Expl A	N.Q.	—
Corona A	7¾	7⅝
Denison Min B	1⅛	1⅛
Dickenson Min A	4⅛	N.Q.
Dofasco	22⅝	22⅝
Dylex A	3.95	N.Q.
Echo Bay Mines	15⅛	15⅝
Equity Silver A	1.55	1.51
FCA Intl	N.Q.	—
Fed Ind A	13⅛	13⅜
Fletcher Chall A	16⅛	16⅛
FPI	5⅝	5⅝
GoldCorp	4.30	4.60
Gulf Cda Res	15⅛	15½
Hees Intl	24	24⅛
Hemlo Gld Mines	12⅝	12¾
Hollinger	13⅝	13¾
Horsham	10⅛	10¼
Hudson Bay	5⅞	6
Imasco	34⅝	34⅝
Inco	34⅛	33¼
Interhome	49⅝	49½
Jannock	15⅜	16⅛
Labatt	22⅛	21⅞
Loblaw Co	16⅛	16⅛
Mackenzie	7⅛	N.Q.
Magna Intl A	3.60	3.45
Maritime	17	17
Mark Res	N.Q.	11
MacLean Hunt X	9⅝	N.Q.
Molson A	39⅛	39
Noma Ind A	8	N.Q.
Noranda	20⅝	20⅝
Noranda Forest	11⅛	11¼
Norcen Energy	24⅝	N.Q.
Nova Corp	8⅝	N.Q.
Oshawa	30	31
Pagurin A	7⅝	7⅝
Placer Dome	18⅝	18¼
Poco Petroleum	6⅝	6⅝
PWA Corp	9½	9⅝
Quebec Sturgeon	N.Q.	—
Rayrock	8	8⅛
Renaissance	14⅝	14⅝
Rogers B	8⅛	8⅛
Rothmans	N.Q.	68
Royal Bank Can	23⅛	23⅜
Royal TrustCo	15⅛	15⅛
Sceptre Res	3.55	3.60
Scott's Hosp	15⅛	N.Q.
Seagram	96	96⅜
Sears Can	11½	11½
Shell Can	38⅝	38⅝
Sherritt Gordon	7⅞	N.Q.
SHL Systemhse	8⅝	8⅝
Southam	25⅛	25
Spar Aerospace	9⅝	9⅝
Steico A	16½	16⅝
Teck B	23⅝	23⅛
Thomson News	15⅛	15⅝
Toronto Domn	18⅝	18
Torstar B	27½	27⅜
Transalta Util	12⅝	12¼
TransCda Pipe	16⅝	16⅝
Trilon Finl A	7⅞	7⅜
Trimac	6⅝	6⅝
Trizec A	19⅝	18⅝
Turbo Resources	0.43	0.42
Unicorp A	2	N.Q.
Woodward's Ltd	1.40	1.36

TSE 300 Index : 3558.90
Previous : 3546.80

Zurich

	Close	Prev.
Adia Intl	1500	1520
Alusuisse	1490	1440
Bank Leu	2510	2550
Brown Boveri	5925	5950
Ciba Geigy	3520	3440
CS Holding	2490	2490
Elektrow	3520	3520
Fischer	2300	2300
Interdiscount	4530	4550
Jacobs Suchard	8280	8200
Jelmoli	2280	2280
Landis Gyr	1435	1430
Moevenpick	6050	6000
Nestle	8800	8850
Oerlikon-B	985	990
Pargesa Hld	1500	1490
Roche Holding B	4450	4345
Sandoz	2370	2320
Sulzer	740	740
Surveillance	5450	5575
Swissair	958	965
SBC	315	316
Swiss Reinsur	614	612
Swiss Volksbank	1650	1670
Union Bank	3540	3540
Winterthur	4210	4320
Zurich Ins	2228	2190

SBS Index : 691.40
Previous : 688.30

WALL STREET WATCH
IN THE IHT EVERY FRIDAY.
INCISIVE REPORTING ON TRENDS AFFECTING THE U.S. STOCK MARKETS

U.S. FUTURES

Via Associated Press July 3

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.85	3.25½	Jul	3.26½	3.27½	3.23	3.25½	—.03
3.73	3.30½	Sep	3.32½	3.33½	3.30	3.30¼	—.02
3.80	3.45	Dec	3.47	3.49	3.46	3.46¾	—.00¾
3.85	3.51	Mar	3.54	3.56¾	3.54	3.55	+.00¾
3.73	3.45	May	3.50½	3.56	3.50½	3.53½	+.03½
3.63	3.30	Jul	3.55	3.55	3.51	3.54	+.05
Est. Sales		Prev. Sales 20,475					
Prev. Day Open Int. 66,951 up 483							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.02¼	2.31	Jul	2.96	2.96¼	2.92¾	2.94¼	—.02
2.97	2.29	Sep	2.92	2.92	2.88¾	2.90¼	
2.96½	2.22	Dec	2.92	2.92½	2.88¾	2.90½	+.00¼
3.02½	2.41	Mar	2.97½	2.98¼	2.94½	2.96	—.00¼
3.06½	2.49¾	May	3.01	3.01¼	2.98½	3.00	—.00½
3.08¼	2.63	Jul	3.02	3.03½	3.00½	3.02	—.00½
2.87½	2.65	Sep	2.83	2.83½	2.83	2.83	—.01
2.75	2.59	Dec	2.69½	2.70½	2.68½	2.69	+.01
Est. Sales		Prev. Sales 87,140					
Prev. Day Open Int. 235,635 up 1,763							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.31	5.78	Jul	6.45	6.51	6.41	6.48½	+.02½
7.05	5.78	Aug	6.53	6.57¾	6.47¾	6.56	+.03
6.76	5.68	Sep	6.59	6.64½	6.55	6.63¾	+.05
6.82	5.64½	Nov	6.72	6.77½	6.67	6.76½	+.04½
6.92	5.87	Jan	6.82	6.88	6.78½	6.87¼	+.04½
7.03	5.65½	Mar	6.92½	6.99	6.89½	6.99	+.04½
7.11	6.14½	May	7.02	7.07	6.98½	7.07	+.03½
7.18	6.39	Jul	7.07	7.10	7.03½	7.08	+.02
6.59	6.51	Aug	6.95	6.95	6.95	6.95	
6.74	6.30	Nov	6.65	6.67	6.60	6.60	—.04
Est. Sales		Prev. Sales 87,833					
Prev. Day Open Int. 112,104 up 2,200							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
208.00	167.80	Jul	186.90	191.00	186.70	190.70	+3.60
198.00	170.10	Aug	189.00	192.40	188.30	192.30	+3.50
200.00	171.50	Sep	190.60	194.30	190.60	194.10	+3.50
200.00	173.80	Oct	192.70	196.50	192.70	196.50	+3.70
205.50	174.00	Dec	196.50	200.50	196.50	200.30	+3.20
204.00	178.00	Jan	199.00	201.50	199.00	201.50	+2.80
212.00	181.00	Mar	200.50	203.50	200.30	203.50	+1.50
208.00	184.50	May				205.20	+2.70
209.00	186.00	Jul	204.00	207.00	203.00	207.00	+3.00
Est. Sales		Prev. Sales 34,656					
Prev. Day Open Int. 67,632 off 274							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
26.00	19.50	Jul	25.62	25.75	25.28	25.62	—.05
25.75	19.50	Aug	25.50	25.75	25.04	25.28	—.33
25.62	19.50	Sep	25.60	25.60	25.00	25.19	—.36
25.56	19.65	Oct	25.45	25.50	24.90	25.15	—.30
25.46	19.75	Dec	25.35	25.35	24.80	25.15	—.13
25.31	19.81	Jan	25.10	25.10	24.67	25.00	—.15
24.80	19.82	Mar	24.70	24.75	24.60	24.75	—.25
24.65	20.15	May	24.60	24.60	24.60	24.76	—.14
24.76	21.05	Jul	24.50	24.50	24.40	24.40	—.36
		Aug				24.40	—.35
Est. Sales		Prev. Sales 25,779					
Prev. Day Open Int. 102,902 up 1,350							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
74.92	69.12	Aug	72.80	73.05	72.55	72.77	—.03
76.85	68.30	Oct	75.35	75.40	75.00	75.25	—.05
76.60	71.00	Dec	75.20	75.30	74.95	75.03	—.30
76.15	72.50	Feb	75.22	75.25	74.90	75.05	—.17
77.00	74.15	Apr	76.00	76.10	75.80	75.97	—.18
74.60	72.62	Jun	73.05	73.05	73.00	73.02	—.13
Est. Sales 10,867		Prev. Sales 15,591					
Prev. Day Open Int. 70,519 up 15							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.97	78.50	Aug	83.40	83.45	82.97	83.25	—.20
84.95	78.00	Sep	82.75	82.75	82.35	82.55	—.17
84.35	78.20	Oct	82.15	82.35	81.75	81.95	—.17
84.40	79.00	Nov	82.45	82.45	82.25	82.30	—.15
84.05	79.75	Jan	82.25	82.25	82.20	82.40	+.05
82.75	80.90	Mar	81.60	81.60	81.45	81.55	
82.50	81.35	Apr	81.30	81.30	81.30	81.30	—.25
82.40	81.35	May	81.10	81.10	81.10	81.10	—.30
Est. Sales 1,627		Prev. Sales 2,140					
Prev. Day Open Int. 10,311 off 263							
HOGS (CME) 30,000 lbs.- cents per lb.							
65.32	44.95	Jul	61.25	61.75	60.77	61.67	+.40
63.42	43.70	Aug	59.15	59.20	58.15	58.72	—.45
55.70	40.80	Oct	53.95	54.05	53.17	53.62	—.43
55.45	44.25	Dec	53.05	53.05	52.40	52.52	—.48
52.95	45.25	Feb	50.10	50.10	49.45	50.00	—.05
48.80	45.15	Apr	47.10	47.10	46.65	46.90	—.22
51.85	48.65	Jun	49.90	50.15	49.80	50.02	+.02
48.92	48.65	Jul	49.40	49.40	49.40	49.57	+.10
Est. Sales 10,802		Prev. Sales 10,857					
Prev. Day Open Int. 34,925 up 686							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
71.60	39.95	Jul	59.45	59.70	57.67	57.67	—2.00
69.15	39.30	Aug	57.80	57.80	55.77	55.77	—2.00
63.65	48.07	Feb	56.05	56.10	54.85	54.85	—1.15
62.95	50.30	Mar	55.12	55.12	53.80	54.37	—.75
63.00	54.25	May	54.60	54.60	54.50	54.70	—1.50
Est. Sales 2,631		Prev. Sales 3,610					
Prev. Day Open Int. 11,612 up 45							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
132.25	74.85	Jul	85.50	86.25	85.30	86.00	+1.85
120.00	77.25	Sep	87.75	88.70	87.25	88.50	+1.65
109.50	81.00	Dec	91.50	92.00	90.50	91.65	+1.60
116.75	83.00	Mar	94.75	94.75	93.60	94.50	+1.20
123.00	91.25	May	96.00	96.00	96.00	96.65	+1.65
110.00	92.75	Jul				98.50	+.75
108.90	98.00	Sep	102.50	102.50	100.00	100.40	+.15
87.00	86.50	Dec				102.50	+2.50
Est. Sales 5,574		Prev. Sales 5,225					
Prev. Day Open Int. 39,839 up 184							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.13	10.40	Oct	13.25	13.29	13.10	13.28	+.02
15.22	11.65	Mar	12.40	12.47	12.54	12.62	—.06
15.05	11.65	May	12.61	12.63	12.53	12.59	—.03
14.90	11.56	Jul	12.57	12.62	12.56	12.57	—.04
14.40	.72	Oct	12.48	12.48	12.43	12.47	+.04
Est. Sales 13,677		Prev. Sales 32,638					
Prev. Day Open Int. 146,235 off 7,601							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1525	921	Jul	1285	1305	1272	1302	+18
1541	941	Sep	1309	1328	1287	1324	+15
1558	965	Dec	1342	1360	1320	1355	+13
1581	985	Mar	1372	1384	1350	1386	+10
1572	1000	May	1390	1390	1390	1406	+4
1590	1060	Jul	1400	1400	1400	1425	+5
1515	1303	Sep	1435	1435	1435	1448	+8
Est. Sales 5,208		Prev. Sales 4,777					
Prev. Day Open Int. 48,742 up 814							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
205.50	123.00	Jul	190.00	190.80	189.25	190.60	+.20
202.00	123.50	Sep	177.70	178.00	177.25	177.35	—.30
199.50	124.00	Nov	167.55	168.25	167.25	168.15	+.35
191.00	125.00	Jan	161.25	167.25	160.50	160.75	+.25
190.50	156.80	Mar	160.50	160.55	160.50	160.35	+.15
190.00	157.00	May				159.90	+.20
180.00	180.00	Jul				158.90	+.20
Est. Sales		Prev. Sales 1,186					
Prev. Day Open Int. 10,122 off 217							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
119.25	93.25	Jul	115.35	115.90	114.20	114.40	+.30
116.40	95.00	Aug	114.90	114.90	114.05	114.10	+.10
116.00	92.50	Sep	114.00	114.80	112.90	113.10	+.20
112.00	94.50	Oct				111.60	—.40
111.50	94.50	Nov	110.50	110.50	110.50	110.05	—.20
111.00	91.50	Dec	109.70	109.90	108.40	108.50	—.10
105.00	94.00	Jan				107.00	+.10
103.00	99.50	Feb				105.50	
106.00	92.30	Mar	104.75	104.75	104.00	103.90	
101.00	99.85	Apr				103.05	—.05
103.40	97.00	May				101.70	—.20
		Jun				100.55	—.15
100.15	96.50	Jul				99.70	—.20
97.75	95.50	Sep	99.00	99.00	99.00	98.40	—.25
98.95	94.50	Dec	98.00	98.00	98.00	96.90	—.30
		Jan				95.85	—.35
96.50	96.50	Mar	96.00	96.00	96.00	95.00	—.40
		May				94.20	—.45
Est.Sales 5,300		Prev.Sales 3,200		Prev.Day Open Int. 32,101			Chg. +7
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
95.50	66.00	Jul				70.25	
75.00	75.00	Aug				70.25	
76.00	74.50	Sep				71.75	
75.00	75.00	Dec				71.75	
75.00	75.00	Jan				71.75	
75.00	75.00	Mar				71.75	
75.00	75.00	May				71.75	
75.00	75.00	Jul				71.75	
		Sep				71.75	
75.00	75.00	Dec				71.75	
75.00	75.00	Jan				71.75	
75.00	75.00	Mar				71.75	
		May				71.75	
Est. Sales		Prev. Sales					
Prev. Day Open Int. 4							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
761.5	473.5	Jul	494.5	498.0	492.0	491.9	—1.6
511.0	511.0	Aug				495.0	—2.1
760.0	481.0	Sep	502.5	505.5	498.0	499.0	—2.0
742.0	492.0	Dec	513.0	517.0	510.0	510.3	—2.0
680.0	499.0	Jan				513.5	—2.0
665.0	503.5	Mar	525.0	526.5	524.0	521.1	—2.0
647.0	514.0	May	530.0	530.0	530.0	528.5	—2.0
667.5	522.0	Jul	539.5	541.0	534.0	536.0	—2.0
654.0	530.0	Sep				543.9	—2.0
623.5	540.0	Dec	558.0	558.0	556.0	555.2	—2.0
596.0	546.0	Jan				558.5	—2.0
613.0	559.0	Mar				567.1	—2.0
		May				575.6	—2.0
Est. Sales 15,000		Prev. Sales 17,000					
Prev. Day Open Int. 99,756 off 2,600							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
556.00	465.00	Jul	487.50	489.00	485.10	485.10	—.20
494.50	494.50	Aug				488.40	—1.30
540.50	473.00	Oct	496.00	497.50	494.00	494.40	—.10
551.00	484.00	Jan	502.50	502.50	501.00	500.10	—.10
554.50	488.20	Apr	507.50	507.50	507.50	505.20	—.10
528.50	495.80	Jul				510.60	—.10
Est. Sales		Prev. Sales 2,373					
Prev. Day Open Int. 15,622 off 842							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
149.50	111.65	Sep	117.00	118.90	116.25	117.90	+1.25
147.00	113.00	Dec	119.00	120.00	119.25	119.40	+1.45
142.00	116.50	Mar	119.50	121.00	119.50	120.70	+1.45
125.25	117.50	Jun				122.40	+1.45
Est. Sales		Prev. Sales 115					
Prev. Day Open Int. 5,429 off 91							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
379.50	356.00	Jul				362.10	+3.30
487.00	348.30	Aug	360.40	365.50	360.00	364.10	+3.20
362.50	356.50	Sep				366.10	+3.20
472.00	352.50	Oct	365.10	370.00	364.60	368.30	+3.20
455.50	357.00	Dec	369.40	375.00	369.00	372.80	+3.30
457.50	362.00	Feb	377.80	378.30	377.40	377.40	+3.40
460.00	366.20	Apr	378.70	383.00	378.70	381.80	+3.50
446.20	372.00	Jun				386.40	+3.50
465.00	375.00	Aug	392.00	392.00	392.00	390.80	+3.40
476.00	385.00	Oct				395.50	+3.40
483.00	385.50	Dec				400.30	+3.40
433.00	392.00	Feb	406.00	406.00	406.00	405.20	+3.40
412.50	396.50	Apr	410.50	410.50	410.50	409.90	+3.40
Est. Sales 35,000		Prev. Sales 25,000					
Prev. Day Open Int. 110,788 off 1,354							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.45	91.28	Sep	92.52	92.55	92.51	92.52	
93.32	91.61	Dec	92.64	92.66	92.62	92.64	+.01
93.20	91.66	Mar	92.82	92.82	92.82		+.02
92.70	91.52	Jun				92.45	
92.45	91.60	Sep				92.64	
Est. Sales 1,789		Prev. Sales 3,118					
Prev. Day Open Int. 21,831 off 25							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-14	92-24	Sep	97	97-5	96-27	97-5	+7
97	94-9	Dec	96-27	97-2	96-26	97-2	+7
96-23	94-20	Mar				96-31	+7
Est. Sales		Prev. Sales 12,370					
Prev. Day Open Int. 72,406 up 244							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	94-5	94-16	94-2	94-16	+7
99-24	80	Dec	93-27	94-8	93-26	94-7	+7
99-12	79-21	Mar	93-23	93-30	93-19	93-30	+7
99-4	82-18	Jun	93-14	93-21	93-9	93-21	+7
99-5	86-4	Sep	93-6	93-12	93	93-12	+6
98-20	87-14	Dec	93	93-4	92-26	93-4	+4
98-13	87-18	Mar				92-29	+3
97-19	87-19	Jun				92-23	+2
92-12	87-14	Sep				92-17	+1
Est. Sales		Prev. Sales 125,057					
Prev. Day Open Int. 259,265 up 563							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-11	86-21	Sep	91-19	91-27	91-17	91-26	+6
91-5	86-30	Dec	91-3	91-7	91-2	91-7	+4
Est. Sales		Prev. Sales 1,285					
Prev. Day Open Int. 6,429 up 91							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.83	91.86	91.81	91.85	+.02
92.15	89.85	Dec	91.80	91.85	91.80	91.85	+.01
92.01	89.96	Mar	91.79	91.82	91.78	91.81	+.02
91.85	89.91	Jun	91.63	91.66	91.62	91.66	+.02
91.53	90.04	Sep	91.52	91.55	91.50	91.54	+.02
91.78	90.04	Dec	91.35	91.39	91.35	91.38	+.02
91.82	90.09	Mar	91.29	91.32	91.28	91.32	+.02
91.76	90.35	Jun	91.20	91.22	91.19	91.22	+.02
91.72	90.32	Sep	91.11	91.13	91.10	91.14	+.02
91.53	90.24	Dec	90.98	91.02	90.97	91.01	+.02
91.65	90.28	Mar	90.94	90.95	90.93	90.97	+.02
91.51	90.27	Jun	90.84	90.85	90.83	90.87	+.02
91.47	90.27	Sep	90.74	90.81	90.74	90.79	+.02
91.37	90.22	Dec	90.64	90.69	90.64	90.69	+.02
90.77	90.24	Mar	90.62	90.64	90.62	90.67	+.02
90.60	90.44	Jun	90.58	90.59	90.58	90.62	+.02
Est. Sales		Prev. Sales 74,564					
Prev. Day Open Int. 650,315 off 599							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.7700	1.5290	Sep	1.7480	1.7588	1.7452	1.7536	+60
1.7236	1.5640	Dec	1.7240	1.7330	1.7210	1.7280	+58
1.5680	1.6610	Mar				1.7060	+58
Est. Sales		Prev. Sales 12,194					
Prev. Day Open Int. 38,803 up 3,150							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8527	.8093	Sep	.8507	.8520	.8501	.8516	
.8428	.8050	Dec	.8408	.8423	.8408	.8418	
.8365	.7990	Mar	.8330	.8330	.8326	.8340	
.8399	.7995	Jun	.8260	.8260	.8260	.8262	—3
.8190	.7985	Sep	.8180	.8180	.8180	.8196	—3
Est. Sales		Prev. Sales 7,395					
Prev. Day Open Int. 33,864 up 2,861							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6155	.5525	Sep	.6039	.6080	.6034	.6062	+7
.6150	.5769	Dec	.6034	.6077	.6034	.6059	+8
.6140	.5820	Mar	.6035	.6035	.6035	.6053	+8
Est. Sales		Prev. Sales 31,936					
Prev. Day Open Int. 56,341 up 996							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007390	.006268	Sep	.006607	.006641	.006601	.006638	+2
.007080	.006290	Dec	.006617	.006642	.006611	.006647	+2
.006705	.006315	Mar				.006657	+2
Est. Sales		Prev. Sales 24,424					
Prev. Day Open Int. 47,011 up 2,158							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7202	.6050	Sep	.7130	.7195	.7122	.7168	+25
.7197	.5600	Dec	.7124	.7160	.7115	.7160	+25
.7165	.6500	Mar	.7114	.7140	.7114	.7162	+27
.7110	.6916	Sep				.7178	+25
Est. Sales		Prev. Sales 20,384					
Prev. Day Open Int. 37,988 off 360							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.70	177.50	Jul	202.60	203.00	200.10	201.70	—2.30
207.10	192.00	Sep	204.10	204.10	202.20	203.00	—.90
203.10	189.90	Nov	201.40	201.50	200.30	201.10	—.30
205.90	186.30	Jan	202.00	202.00	202.00	205.00	+.50
206.10	191.00	Mar	203.50	203.50	203.50	205.00	
206.60	196.50	May	203.50	203.50	203.50	204.00	
Est. Sales 1,223		Prev. Sales 607					
Prev. Day Open Int. 4,234 off 208							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
88.00	63.70	Jul	88.10	89.80	88.00	89.80	+1.93
79.25	63.95	Oct	79.40	80.15	79.35	80.05	+.80
75.25	62.80	Dec	75.40	75.84	75.25	75.78	+.55
75.70	63.82	Mar	75.70	76.20	75.70	76.15	+.60
75.76	64.40	May	75.75	76.40	75.75	76.41	+.77
77.40	65.67	Jul	75.70	76.40	75.70	76.38	+.81
78.90	67.70	Oct				70.85	
68.90	67.25	Dec	68.75	68.75	68.75	68.65	—.15
Est. Sales 5,500		Prev. Sales 4,786					
Prev. Day Open Int. 38,053 up 1,050							
HEATING OIL (NYME) 42,000 gal- cents per gal							
57.40	47.20	Aug	49.90	49.00	48.35	48.50	—.86
58.00	48.00	Sep	49.90	50.10	49.55	49.60	—.85
58.50	50.30	Oct	50.95	51.10	50.75	50.85	—.05
59.40	51.15	Nov	52.25	52.35	52.00	52.00	—.15
60.15	52.70	Dec	53.25	53.40	52.95	53.10	—.08
60.40	53.25	Jan	53.65	53.75	53.40	53.40	—.18
60.00	53.00	Feb	53.25	53.40	53.00	53.00	—.23
56.75	51.30	Mar	51.60	51.60	51.40	51.40	—.08
53.90	50.00	Apr	49.95	49.95	49.85	49.85	—.03
53.15	49.00	May	48.90	48.90	48.70	48.70	—.08
Est. Sales		Prev. Sales 14,064					
Prev. Day Open Int. 109,883 off 2,179							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
21.63	16.39	Aug	16.85	16.95	16.72	16.80	+.08
21.52	16.50	Sep	17.55	17.62	17.40	17.48	+.06
21.46	16.50	Oct	18.03	18.18	17.89	17.90	—.04
21.48	17.30	Nov	18.37	18.42	18.25	18.25	—.02
21.50	17.80	Dec	18.54	18.62	18.47	18.50	
21.45	17.87	Jan	18.69	18.74	18.66	18.66	
21.35	18.15	Feb	18.77	18.85	18.77	18.77	+.02
21.43	18.40	Mar	19.05	19.05	18.88	18.88	+.05
21.55	18.83	Apr	18.99	19.03	18.90	18.95	+.06
21.45	18.03	May	19.17	19.17	18.89	18.94	—.01
21.45	16.65	Jun	19.22	19.22	19.22	19.22	+.22
21.45	17.08	Jul	19.12	19.12	19.12	19.12	+.07
20.22	19.70	Nov	19.30	19.30	19.30	19.30	+.05
Est. Sales		Prev. Sales 71,189					
Prev. Day Open Int. 279,054 off 2,843							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	364.20	365.20	363.60	364.00	—.40
378.90	333.50	Dec	368.60	369.50	368.30	368.55	—.40
383.20	343.30	Mar	372.95	372.95	372.50	372.50	—.45
Est. Sales		Prev. Sales 25,214					
Prev. Day Open Int. 107,825 up 2,236							
VALUE LINE (KCBT) points and cents							
297.90	272.00	Sep	290.10	290.90	289.40	289.70	—.60
302.10	279.30	Dec				293.70	—.60
303.80	280.00	Mar				297.95	—.60
Est. Sales		Prev. Sales 53					
Prev. Day Open Int. 1,282 up 4							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.80	Sep	198.95	199.30	198.15	198.40	—.45
206.50	185.70	Dec	200.95	200.95	200.90	200.70	—.45
206.00	193.15	Mar				203.05	—.45
		Jun				205.40	—.45
Est. Sales		Prev. Sales					
Prev. Day Open Int. 4,523 off 40							

Commodity Indexes

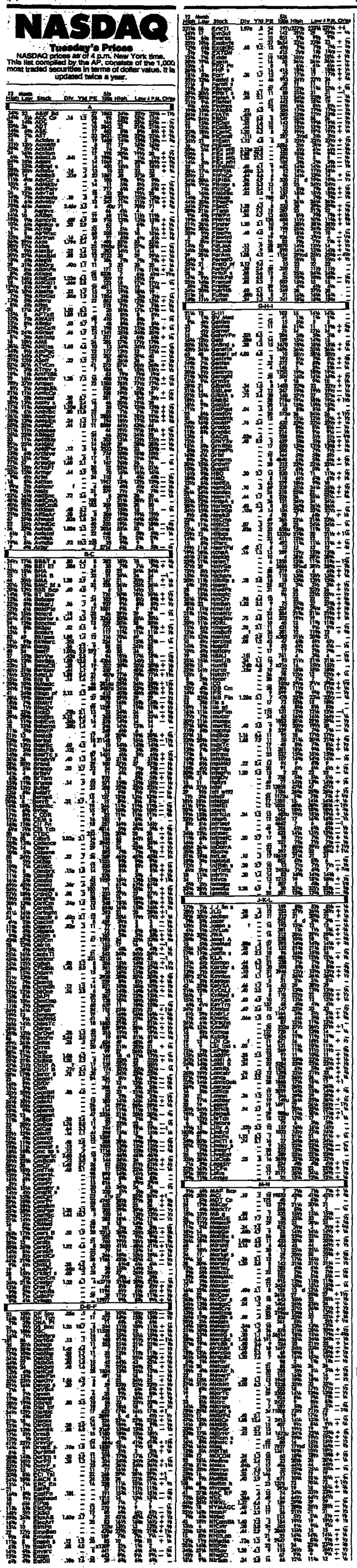
	Close	Previous
Moody's	1,163.40 f	1,150.50 f
Reuters	1,856.00	1,852.40
D.J. Futures	134.10	133.39
Com. Research	239.96	239.77

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

NASDAQ

Tuesday's Prices

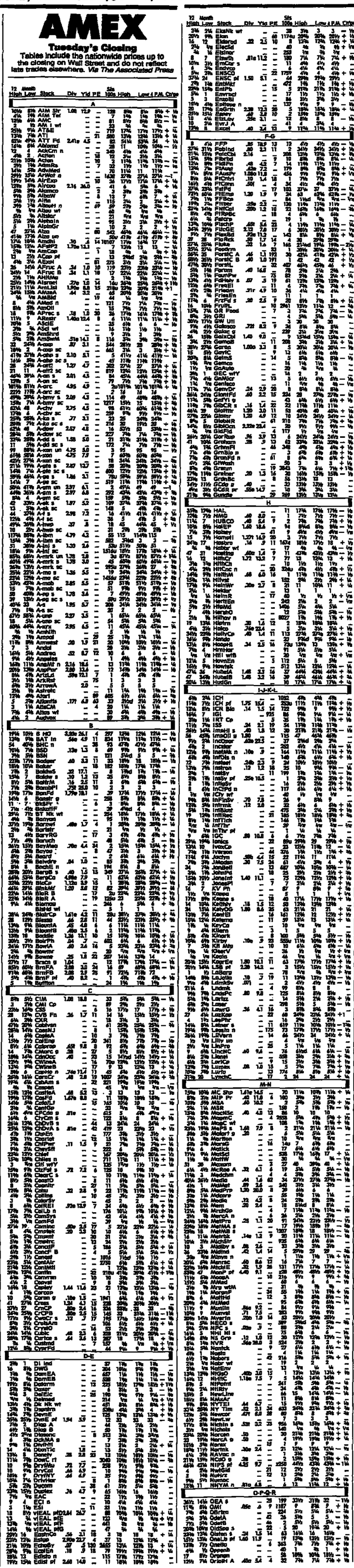
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
f — dividend in Canadian funds, subject to 15% non-residence tax.
g — dividend declared after split-up or stock dividend.
h — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
i — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xds — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

WHO HELPS DOCTORS TODAY WITH TOMORROW'S MEDICAL CARE?

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The name to remember in:
Power Systems and Equipment
Information and Communication Systems
Consumer Products Electronic Devices
Industrial Machinery and Plants

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 70

AllenGrp	ArrowE pf	AshlndCoal	Avemco
BritishGas	BritishTel	BrwngFer	CapCities
ChemWaste s	Circus	Cole Palm	Crane s
Donaldsn	FabriCtr	GenEInt	GenInst
GenevaStl n	GoGuilt	GerberProd s	Gillette
Grainger	GrtLkChm s	HowellCp	HuffyCp
Humana	HuntaInt	JWP Inc	JWP wt
JohnsJhn	Kyocera	LillyEli s	LillyEli wt
Loctite	LIL Co	Luxottica n	Mapco
Medtronic s	Merck	MinnMng	NalcoCh
NewsCp pf	OmnicomGp	PepsiCo	PatriotStr
PhilMor s	PioneerEl	PlanFnSv	PlanFn pf
Primerica	ProctGamb s	PropCorp	Rorer
SaftyKln	Safeway n	Safeway wt	ScheringPlgh s
SmithBch ex n	Smucker s	Stanhome	StorageTch n
SudvaShoe	SuperInd s	ToolsRoll	ToysRUs
UNUM	UnivrNV	Union Corp	UnivFds s
WasteMgt s	Zurnind		

NEW LOWS 41

Acme Clev	Alexandrs	AmPresid	AmSvBkNY
ArmcoInc pf	Averyint	CNA IncShr	ChasMnh 105
CtizSouCp	CstrFct	Curragh n	DowJones
EmpDist El	Equimark	EquitRE	EuropeFd n
FtCtyBcp	FtCtyBcp pf	Goldome	Goodyear
HomeFed	vjLTV pfC	LandmkBnc	MNC Fncl s
MesaRoyl	NL Ind	PennEnCp	PattenCp
PrimeMotr	Quantum	ShawmutNtl	SmithCoron n
SoeastBk	Sovran	StoneCont	TrnsoffHld n
TransTech	Travelers	USFG Cp	UsairGp
Vornado Inc			

AMEX Highs-Lows

NEW HIGHS 28

Alza un	AmIsrael	AmList	AmTr-arc prm
AmTr-be prm	AmTr-inl prm	AmTr-inl sc	AmTr-mrk un
AmTr-mrk sc	AmTr-mo sc	AmTr-pp sc s	BioRad B
BioRad A	BlairCorp	CandgWineA	Continuum
Designtrnc	ElanCp	HlthConcpt n	HooperHlm
ICH pf	Ionics	KirbyCp	MarsGold
PGE 225pfL	Sanifill n	TherCrd n	UtdMedic

NEW LOWS 25

AmCapCp pf	AmTr-tbm sc	Atlantis	BSN
Baldwin Sec	BankatlFn	CdnOccl	ConquestEx
FstFedBcp	FlukeJohn	GalxyCabl	HalwdEP
HondoOG	IncoOpper	LincNC	MemCo
NECO Ent s	OrioleHme B	OxfordEnev	PropCapTr
SDie 720or	SandyCp	SunshneJr	Unimar
VircoMf			

GEC Posts 9% Rise In Pretax Profit

Compiled by Our Staff From Dispatches

LONDON — General Electric Co., the British electronics giant, said Tuesday its pretax profit rose by just over 9 percent to £872 million ($1.53 billion) in the financial year ended March 31.

The results were generally in line with market expectations and GEC shares were unchanged at 197 pence in late London Stock Exchange trading.

The pretax profit of £872 million compared with £797 million the previous year. Turnover of £8.78 billion was up from £6.66 billion.

The company said revenue grew by 30 percent during the year with consumer goods and electronic components the only businesses showing a significant slip in pretax profit.

GEC has invested heavily in the defense sector over the last few years, making it vulnerable to the current downturn in the market caused by improving East-West relations.

The company recently cut more than 500 jobs at its radar and avionics unit, GEC-Ferranti, formed after its £270 million takeover of Ferranti International's Defense Systems Group earlier this year.

GEC said that last year's results had been aided by alliances in the electricity and rail equipment sectors with Alsthom of France, in electronics, with Siemens AG of West Germany, and in consumer goods with General Electric Co. of the United States.

The company said that investments of its surplus cash produced a big gain of £181 million, largely due to Britain's high interest rates.

The GEC group chairman Lord Prior said that defense activities accounted for only 20 percent of revenue, and that GEC would have no trouble adapting to reduced Western military spending, which would be accompanied by increased investment in surveillance equipment, one of the group's strong points.

GEC reported an extraordinary credit of £139 million in the latest financial year, compared with £12 million a year earlier.

(Reuters, AFP)

■ Blue Circle's Danish Buy

Building materials group Blue Circle Industries PLC said Tuesday it had completed the acquisition of 50 percent of Aalborg Portland Cement's Danish cement business for £92.8 million, Reuters reported from London.

It said it had issued a £75 million bond due 2005 which pays 10.5 percent to help pay for the deal.

The acquisition of the 50 percent share of Aalborg Portland was announced on May 16. As well the cement works, the purchase includes its related interests in aggregates, pulverized fuel ash and fuel trading, together with a 20 percent shareholding in the Lehigh White Cement Co. in the U.S.

Portugal To Offer Bank Shares

Reuters

LISBON — The privatization of another 31 percent of Banco Totta & Acores will be completed on July 31 and is expected to raise at least 22 billion escudos ($151.5 million), the chairman, Alipio Dias, told a news conference on Tuesday.

The government sold 49 percent of the bank, Portugal's fourth biggest in terms of assets, a year ago, raising 28.5 billion escudos. It will retain the remaining 20 percent for the time being.

The 7.75 million shares will be sold in five categories, as has been the practice in other sell-offs of companies which were nationalized after Portugal's left-wing revolution in 1974.

- Bank staff can buy up to 200 shares each at 2,700 escudos each, but cannot sell for a year.
- Small investors and Portuguese emigrants can buy at 2,800 escudos under an allotment system, but cannot sell for a year. The total for these two categories will be 1.55 million shares.
- Existing shareholders can buy two shares for every five held at 2,900 escudos, a total of 4.9 million shares. Shareholdings of more than 0.5 percent cannot be resold for five years.
- Depositors and holders of bonds and "Titulos de Participacão" can buy 800,000 shares under an allotment system at 2,900 escudos.
- All remaining shares will go on sale to the general public at the fixed price of 3,000 escudos.

Foreigners are restricted to 10 percent of the bank's total shares.

W. Germany Is Key to Europe's Car Sales

Reuters

LONDON — West European car sales roared along at a record-setting pace in the first half of 1990, but the full year's result depends on whether German strength can outweigh chronic weakness in British and Spanish markets, analysts say.

The West German car market is Europe's biggest. At just over 2.8 million cars it accounted for slightly more than 20 percent of last year's record sales of 13.4 million.

In the first half of 1990 West German sales were about four percent ahead of the same period last year, according to analysts. But they were divided on whether this pace could be maintained.

The outlook is complicated by economic union with East Germany, which officially started on July 1.

For Western Europe generally in the first half, analysts estimated that sales were at least keeping level with the previous year's record. Automotive Industry Data, an industry newsletter, has estimated sales were 1.6 percent higher in the first five months of 1990.

"We're not as bullish as before" on the impact of unification, said Stephen Reitman, European motor analyst at stockbrokers UBS Phillips and Drew.

"We see a bit more realism," he said. "Instead of buying secondhand cars or cheap new ones, there's more anxiety about employment. They'll be worrying about the security of their jobs, not what they can buy."

Other analysts said they believed East Germans would at least be rushing to used car lots and that this would feed benefits through to the new car market.

A buoyant used car market boosts the cash available for new cars and often tempts buyers to move upmarket or add expensive extras.

"East Germans have stripped the secondhand car shelves bare in the eastern part of West Germany — and this at pretty uneconomic rates of exchange," said Philip Ayton, European auto analyst at stockbrokers Barclays de Zoete Wedd.

"Now they're getting a better rate there's a possibility of quite a good stimulus to the second half in Germany," Mr. Ayton added.

Britain's car market has been suffering a severe shakeout induced by high interest rates, with secondhand prices plummeting and new car sales dropping by around 10 percent over the first half of 1990. Last year Britons bought 2.3 million cars.

The Spanish market, which notched up sales of just over one million last year, has also been hit by high interest rates, losing about 4 percent so far this year.

Analysts' sales projections earlier this year pointed to another record in 1990 of up to 13.8 million for Western Europe, but most are now scaling back their estimates.

"Although we're talking of a slowdown, these are still very high numbers," said Sanjay Dabysing, automotive group director at the independent financial consultants DRL But he said he expected sales to slip by 0.5 percent this year to about 13.35 million.

European sales have shown uninterrupted and spectacular growth, leaping from about 10.5 million in 1985 and overtaking north America in 1987 as the world's biggest market for cars.

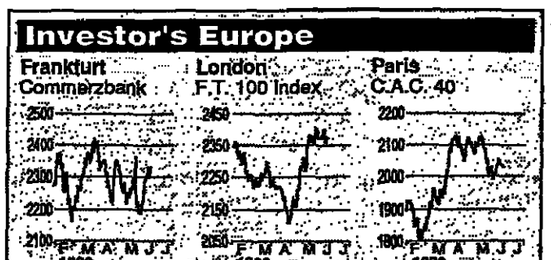
West Germany's Volkswagen AG has been European market leader all through these boom years and looks set to boost its position again in 1990. Last year it led the way, capturing 14.9 percent of the market, just ahead of Italy's Fiat SpA with 14.8 percent.

VW, including its Audi and Seat subsidiaries, raised its share to over 15 percent in the first half, analysts estimate, while Fiat's pickings slipped toward 14.5 percent.

Fiat, which also owns the Lancia, Alfa-Romeo and Ferrari marques, has been hampered by model changeovers. It has recently introduced the Lancia Dedra, Fiat Tempra, and the restyled Alfa Romeo 33.

Ford Motor Co.'s European subsidiary has held on to its market share of about 11.5 percent this year.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	121.50	121.50	Unch.
Brussels	Stock Index	6281.62	6286.20	-0.07
Frankfurt	Commerzbank	2330.30	2325.60	+0.20
Frankfurt	DAX	1906.23	1915.30	-0.47
Helsinki	UNITAS	539.00	540.90	-0.35
London	Financial Times 30	1894.70	1896.60	-0.10
London	FT-SE 100	2371.70	2372.00	-0.01
Madrid	General Index	298.68	297.25	+0.48
Milan	MIB	1082.90	1088.00	-0.47
Paris	CAC 40	2031.98	2029.54	+0.12
Stockholm	Affaersvaerlden	1344.10	1325.40	+1.41
Zurich	SBS	684.40	680.30	+0.60

Sources: AFP International Herald Tribune

Spain Seeking To Save Enasa Takeover Deal

Reuters

MADRID — The Spanish industry minister, José Claudio Aranzadi Martinez, flew to West Germany on Tuesday to try to rescue a takeover deal involving the Spanish truck maker Enasa, a ministry spokesman said.

Mr. Aranzadi will meet with Helmut Haussmann, the German economy minister, to discuss an alternative plan to enable MAN AG and Daimler-Benz AG to buy 80 percent of Enasa after the deal was blocked by the West German Federal Cartel Office, he said.

The anti-trust body said the deal would mean MAN no longer competed independently with Daimler in the West German market.

Mr. Aranzadi had previously ruled out selling Anasa to a non-German company, after choosing the German consortium over Sweden's AB Volvo, the British-Dutch commercial vehicle maker DAF NV and Italy's Fiat SpA.

Upgrading Seen in '91 In East German Phones

Agence France-Presse

BERLIN — It will take seven years to modernize East Germany's telephone system, but a distinct improvement should be noticeable from next year, Heinz Uhlig, head of the state telecommunications network, said Tuesday.

Mr. Uhlig told a joint press conference with representatives of the West German telecommunications organization that the modernization program, due to be completed in 1997, would cost some 55 billion Deutsche marks ($33 billion), half of which would be provided by East Germany.

The outdated East German telephone system is one of the main obstacles to the country's economic development, analysts say.

Some 1.2 million people are on the waiting list for a telephone, a number that would take 20 years to clear at last year's level of 60,000 new lines.

Some 100,000 new lines are set to be installed this year, and 300,000 next year.

But to reach the same level of service as West Germany, the East German telecommunications network will have to install 7.1 million lines and 60,000 public phones, not to mention specialist services such as digital data transmission or mobile telephones that do not exist here at all.

Horst Gellert, a director of the West German Telekom company, told the press conference that mobile phone users would be limited to calls of around five minutes to avoid overloading the system.

■ U.K. Phone Shares Rise

Stock in British telecommunications companies rose strongly Tuesday after a sudden spate of analysts' recommendations, Reuters reported from London.

Cable & Wireless PLC. rose 10 pence (18 cents) per share to 562 as the British brokerage James Capel & Co. and the American firm Shearson Lehman Hutton Inc. rated the stock a buy.

Strong Pound and High Rates Hurt U.K. Profits

Reuters

LONDON — A strong pound and persistently high interest rates have prompted analysts to downgrade their profit estimates for some British companies, and more gloomy forecasts could be in the pipeline, analysts say.

Downgradings have hit the shares of Imperial Chemical Industries PLC and National Westminster Bank PLC. Downgrades by Barclays de Zoete Wedd currently outstrip upgrades by around 2 to 1.

In a recent circular BZW foresaw a new spate of downgrades as analysts prepare forecasts for September interim results.

"When the equity market wakes up to the possibility of further downgrades, it could retreat short-term," a BZW equity analyst, Richard Kersley, said.

Last week the retailer Burton Group PLC saw its shares slump 25 percent after announcing that sales had slackened in recent weeks. The warning was promptly followed by a profit downgrade — and a further 3.8 percent slide in the share price.

Analysts have also cut profit forecasts for the industrial materials group Cookson Group PLC and the high street bank TSB Group PLC.

Mr. Kersley of BZW said he expected profits in the year to December 1990 to rise by around 5 percent, which amounts to a slight decline after inflation.

Peter Spencer, an economist at Shearson Lehman Hutton, said, "The outlook for 1990 corporate profits looks very bleak. Excluding overseas earners, we could see zero growth."

Mark Brown, an equity analyst at UBS/Phillips & Drew, said his forecast for 1990 corporate earnings growth had fallen to 3 percent from 5 percent at the start of 1990.

Analysts said the emerging gloom, following a fairly solid 1989/90 results season, was largely due to the rally in the British pound.

A strong pound trims profits of both exporters and overseas earners. Indeed, the slightly better-than-expected 1989/90 earnings were aided by the pound's weakness, analysts said.

The possible entry of the pound into the European exchange rate mechanism, especially at a high level, could do further damage.

Mr. Spencer of Shearson said ERM entry would involve "a tough period of adjustment which the equity market hasn't yet fully taken into consideration."

Another factor is the economy which, after a long period of resilience, appears to be bowing to tighter monetary conditions.

The Organization For Economic Cooperation And Development last week forecast that Britain's gross domestic product would grow by only 0.9 percent in 1990, down from 2.3 percent in 1989.

Alongside profits, forecasts for dividend growth appear to be set to move downwards.

Mr. Kersley forecast that annualized dividend growth would stand at 10 percent by December 1990, and fall to 7 percent by end-1991, compared with current growth of 17 to 18 percent.

Soviets Want Polish Trade In Dollars

Agence France-Presse

WARSAW — Trade between Poland and the Soviet Union is to be denominated in U.S. dollars, instead of the bartering vehicle known as transferable rubles, beginning Jan. 1, a decision that has taken Warsaw by surprise, press reports said Tuesday.

The Gazeta newspaper quoted Stanislaw Dingosz, deputy minister for foreign economic cooperation, as saying that "on Saturday, the Soviet Union denounced a trade agreement with Poland based on the transferable ruble and indicated that from now on exchanges would be denominated in dollars and at world market rates."

Mr. Dingosz indicated that Moscow's decision had come as something of a surprise to Warsaw, which had been calling for the gradual introduction of the dollar in trading over three years.

The Soviet move is also not entirely in Poland's interest, Mr. Dingosz said, particularly a decision to stop taking Polish machinery.

Some 260 Polish factories send much of their output to the Soviet Union, but they will now have to seek other markets, he added.

Trade within the East European alliance Comecon has been largely carried out on a barter basis with the transferable ruble, a unit of account rather than a currency.

French Industry Expects Growth To Bounce Back

Reuters

PARIS — French industry expects production to pick up in coming months after a slight fall-off in demand during the second quarter, the national statistics office said Tuesday in its quarterly survey.

The report said the drop in the growth rate of industrial production was most marked in the automobile industry, but less significant in capital and consumer goods. However, bottlenecks, particularly in the auto industry, were less of a worry than in the March survey.

Prices and wages were expected to rise 0.4 percent over the coming months, the report said.

In a separate report, French industry reported that foreign orders for its goods fell in the first half from the previous six months, with the drop being most acute in the food industry and capital goods.

The report said a slowdown in export growth was expected in the second half, with the exception of the auto industry.

The industrialists surveyed were less optimistic than they were last year about profit margins on sales both at home and abroad, the report said, without giving figures.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

NOTICE OF REDEMPTION TO THE HOLDERS OF ECU 40.000.000 THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. 11 1/2% GUARANTEED BONDS DUE 1993

NOTICE IS HEREBY GIVEN that pursuant to paragraph 6(b) of the Terms and Conditions of the above Bonds and in conformity with the Fiscal Agency Agreement dated as of 9th August 1983, ECU 4.500.000 in principal amount of the above Bonds will be redeemed on 9th August, 1990, at par (the redemption price) together with accrued interest thereon to said redemption date. The drawing has taken place on 22 th June, 1990, in Luxembourg.

Serial numbers of the Bonds to be redeemed are set forth below on groups from one number to another number, both inclusive:

1352-1451	1862-1961	2571-2592	2793-2888
3089-3091	3192-3213	3314-3370	3704-3755
3856-3903	4972-5071	6518-6549	6750-6817
7702-7761	8062-8069	8170-8216	8317-8350
8451-8476	8577-8601	10259-10319	10720-10858
10990-11089	12358-12400	12601-12657	13515-13526
13627-13724	14225-14314	14671-14725	14926-15070
15589-15688	15905-16004	16193-16235	16436-16460
17361-17392	17487-17586	18024-18123	18457-18556
20151-20220	20321-20350	20680-20779	21056-21155
22774-22849	22950-23073	28083-28101	28402-28445
28546-28582	29084-29183	30450-30533	30634-30649
31878-31879	32380-32777	33904-34003	35895-35994
36553-36652	36680-36693	36794-36879	36904-36941
37742-37751	37852-38002	38503-38514	38615-38813
39014-39089	39490-39603		

The following bonds, called for redemption on 9th August 1985, have not yet been presented for the payment:

1052-1061	2481-2489	5956	5978	7592
8351-8373	11402-11404	19169-19174	22051-22053	22057
22130-22137	25103-25104	27072-27074	27621-27623	

The following bonds, called for redemption on 9th August 1986, have not yet been presented for the payment:

4030-4034	4078-4084	4705	6234-6251	8288-8309
9469-9477	16635-16637			

The following bonds, called for redemption on 9th August 1987, have not yet been presented for the payment:

4895-4896	4948-4950	6332-6333	9258-9272	11656-11660
14570	18343	18615	19804-19806	21521-21523
21532-21541	22006	22711-22728	22742-22759	22853
22862-22865	22905-22907	26492-26504		

The following bonds, called for redemption on 9th August 1988, have not yet been presented for the payment:

1601-1602	2636-2637	3092-3109	3111-3133	3139-3143
3154-3157	3401-3429	3463-3468	3473-3489	3655-3703
4781-4785	4787	5423-5428	5443-5446	5449-5456
6551-6570	6611-6616	6663-6666	6868	6914-6915
6929	6951-6958	7764	7886-7891	7912-7925
7972-7983	7994-7995	8044-8048	11251	16461-16466
16614-16634	16886-16905	18786	18804-18811	18817-18823
18865-18869	19841-19859	19864-19871	21574-21586	21660-21667
21673-21691	22194-22208	22319-22320	22322-22324	22328-22331
22338	22394-22402	22419	22436-22460	22512-22520
22555-22560	23364	23367-23391	25515-25583	25723-25822
25901-26000	30204-30349	31716-31815	33063-33162	33404-33455
33556-33803	37563	37671-37679	38008-38019	38422-38423
38451-38502				

The following bonds, called for redemption on 9th August 1989, have not yet been presented for the payment:

23-26	84-115	280-291	302	304
309-312	317-326	328	342-362	430-431
441-449	454	1271-1272	1274	1317-1319
1322-1336	2791	3079	4131-4205	4272-4288
4793-4797	4810-4853	4955-4960	6099-6119	6418-6439
6451-6455	6500-6506	7137-7139	7144-7147	7206-7235
9705-9708	9720-9723	9735-9739	9767-9781	9793-9796
10638-10651	10660-10664	10669-10686	11153-11159	11330
11341-11345	11446-11450	11856-11862	11878-11882	11903-11932
12445-12544	12555-12564	12592-12600	14125-14126	14132-14144
14158-14170	14181	14219-14224	15884-15886	16336-16338
16347-16367	16376-16378	16383-16388	16399-16417	16430-16435
17290-17299	17310-17319	17341-17360	19349-19355	19357-19358
19912-19917	19930-19934	19947-19996	20002-20008	21167
21173-21174	21187-21240	23255-23279	23282-23285	23939-23942
23945	23976-23978	24017-24023	24077-24081	24099-24103
24111-24123	24130-24139	24144-24148	27146-27171	27374-37376
27380-27381	27387-27396	27417-27426	27471-27473	28668-28669
37370-37379	37759	37764-37768	37795-37801	

Amount outstanding after 9th august, 1990: ECU 13.000.000,-.

Interest on the Bonds to be redeemed will cease to accrue on the redemption date. On such date the redemption price will become due and payable on each of said Bonds and payment therefor together with accrued interest will be made at any one of the following paying agents: the office of Societe Generale Alsacienne de Banque, Brussels branch, the office of Societe Generale, London branch, the office of Credit Suisse Zurich and the office of Societe Generale Paris upon presentation and surrender of said Bonds with all coupons attached maturing after said redemption date. In the event that any such coupon is not so attached, the amount of said coupon will be deducted from the redemption price.

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in usual manner.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

BY SOCIETE GENERALE ALSACIENNE DE BANQUE 15, AVENUE EMILE REUTER - LUXEMBOURG THE PRINCIPAL PAYING AGENT

Rising Competition Poses Threat to NYSE Specialist System

By Robert J. McCartney
Washington Post Service

NEW YORK — Robert W. Seijas, sole auctioneer of the shares of Cooper Industries Inc. on the floor of the New York Stock Exchange, cocks his ear toward the stockbroker standing next to him and ponders whether to buy his wares.

The broker, from Bear Stearns & Co., wants to sell Mr. Seijas 40,000 shares of Cooper Industries Inc., a Houston company that makes Champion spark plugs and other electrical equipment. His asking price: $41 a share.

That doesn't fly with Mr. Seijas. He already has 12,000 shares that he would like to unload himself, and the price has been slipping. He shakes his head, "no."

"What's a good price?" the broker persists, knowing that exchange rules oblige Mr. Seijas to buy the shares at some price to fulfill his responsibility to maintain a marketplace for Cooper's shares.

"You're on your own, for now," Mr. Seijas replies. That signals that the broker should wait and see what develops, rather than accept a lower price to make the sale right away.

"Okay, Bobby, if you see any demand, let me know," the broker says cheerfully, and hurries off to handle another order.

Twenty minutes later, just as Mr. Seijas had hoped, a buyer shows up. Mr. Seijas uses a hand-held paging device to call back the Bear Stearns broker, who after a small amount of negotiation reaches a deal to sell a quarter of his shares to a broker from Smith Barney, Harris Upham & Co.

"Ten thousand Cooper trades at one," Mr. Seijas declares, meaning that 10,000 shares were sold at $41 per share.

Here on the floor of the premier U.S. financial market, beneath $400 million of glowing computer screens and other electronic hardware, the bargaining still takes place face-to-face, person-to-person, much as it did when merchants hawked their goods in the agoras of ancient Greece 2,500 years ago.

Although Mr. Seijas employs four computer screens to keep track of trading on the exchange floor, his most important tool is his voice. He spends much of his day answering questions about Cooper and three other stocks assigned to him, and encouraging buyers and sellers to make the little compromises that result in deals.

In the eyes of rival stock markets and of many independent critics, the trading system used by the New York exchange is unnecessarily costly and ludicrously out-of-date. The New York floor is "a roller derby kind of setting," sniffs an official at the National Association of Securities Dealers, which uses a highly automated computerized system for trading stocks on the NASDAQ market.

Generally, the companies whose stocks are traded this way are much smaller and often less prestigious than the blue-chip stocks of companies like International Business Machines Corp. and American Telephone & Telegraph Co. that gravitate toward New York.

But rising competition from more automated markets, both in the United States and overseas, has forced the New York exchange for the first time to consider seriously whether to introduce a method of trading that would take some decision-making and price-setting away from humans and give it to a vast computer network that would link big brokerage houses and investment firms.

The exchange chairman, John J. Phelan Jr., recently urged launching an experimental program later this year that would provide for stocks to be traded via computer after the floor closes at 4 P.M.

Such plans draw a decidedly mixed response from Mr. Seijas and other traders who have built their careers mastering the organized turmoil that prevails on the exchange floor. While they welcome the arrival of new technology that increases the market's ability to handle big volume, they maintain that the current system provides valuable flexibility that saves the public money and offers a critically important guarantee that the market will remain open even in times of stress.

Mr. Seijas, who allowed a reporter to watch his work last Wednesday and on one earlier occasion, pointed to the Bear Stearns broker as an example of someone who benefits from the personal give-and-take among traders who work with each other every day.

"In an automatic system, he wouldn't have the option to wait in hopes of getting a better price" than the one available when he first proposed to sell, Mr. Seijas said. "My job is to bring buyers and sellers together."

Mr. Seijas, trim in a dark pinstripe suit and white shirt, is one of 429 auctioneers, called specialists, on the floor of the exchange. For incomes that often exceed more than $1 million a year, these people are responsible for handling all the trading in the stocks of the companies assigned them. Consequently, their role is central to the Big Board's system.

For the privilege of holding the franchise over the auctioning of a stock like Cooper, Mr. Seijas must maintain an orderly market. That means, above all, that he must step in with his own firm's money to buy or sell Cooper stock when nobody else is willing.

New York exchange officials point to this as a principal distinguishing characteristic between the trading method used on the New York exchange and on NASDAQ.

With NASDAQ, there are several firms "making markets" in any given stock, meaning they will step in to buy or sell its shares. The advantage, NASDAQ says, is that the competition among market-makers pushes down costs.

The disadvantage, as the New York exchange is anxious to point out, is that none of these firms is required to cushion the stock from jumps or plunges in its price.

"What we sell here is liquidity," Mr. Seijas said. "In a crisis, I can't hide. I'm here, and as long as this market is open, I have to keep it going. When you had a telephone market, and things were crashing, dealers didn't answer the phone."

HUBBLE: *Failure Shakes U.S.*

(Continued from first finance page)

up waiting to be wheeled to the launch pad if the first failed. In the lean '90s, there is no such luxury.

Jeffrey Manber, executive director of the Space Foundation, a nonprofit group devoted to commercialization of space, said the hype about the Hubble was correct. "It was the most sophisticated unmanned payload to go up," he added. "And the unfortunate thing is that it's the entire budget — there ain't nothing else. Space science cannot sit around for mammoth projects once a generation."

Hubble could bring changes affecting large-scale projects even outside the realms of space. The U.S. government is funding megaprojects to build a new-age facility for physics research in Texas (the $8 billion "superconducting supercollider") and a hypersonic jet that would take off from a runway and fly into orbit. Not to mention the Strategic Defense Initiative, former president Ronald Reagan's vision of a "peace shield" that could shoot down incoming nuclear missiles.

More difficult to gange will be the damage to Americans' faith in the technology of their companies, government and universities. Some specialists play it down, pointing out that the tragic Challenger explosion was much more emotionally powerful than the Hubble trouble. Four years later, they say, the memories have receded and the United States has shown that Challenger was a one-time occurrence.

But others feel that extra effort will be required to minimize the fallout from Hubble. "The scientific community really needs to reprove itself, regain some of the confidence that I am sure it will have lost," said Roland W. Schmitt, president of Rensselaer Polytechnic Institute.

In the meantime, the Hubble failure is being reported in news media around the globe. Whatever the cause turns out to be, it may foster beliefs that the United States is a sunset power, incapable of repeating its technological feats of the past.

The failure doesn't affect just a single country. Hubble's findings were to be shared freely across national borders.

FREE INFORMATION
FROM INTERNATIONAL INVESTOR XVIII

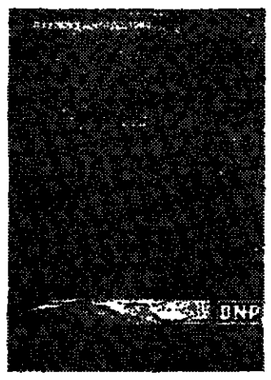
Herald International Tribune
Published With The New York Times and The Washington Post

The latest information from the distinguished companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page and return it to us before July 27, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

BNP

BANQUE NATIONALE DE PARIS
World banking is our business

1989: brisk activity, strong income growth.



Three figures highlight the increase in BNP's earnings.

For the first time in its history, BNP's net operating income exceeded F.Fr. 10 billion, reaching F.Fr. 11.25 billion, a 16.9% increase.

Net income for the Group rose to F.Fr. 3.65 billion (+ 12.5%).

The dividend, including tax credit, of F.Fr. 21.60 (versus F.Fr. 19.50 in 1988) represents an increase of 10.80%. 1

THE BRITISH PETROLEUM COMPANY p.l.c.

The British Petroleum Company p.l.c. is the parent company of one of the world's largest international petroleum and petrochemical groups. Key strengths are in oil and gas exploration and production, refining and marketing, and the manufacturing and marketing of chemicals. It also has important interests in nutrition. It supports all its businesses with high quality research and technology. Today, about 40% of the company's fixed assets are in the USA. BP shares are quoted on stock exchanges in the UK, the USA, Japan, Canada, Switzerland, France, West Germany, and the Netherlands. 2

CIMENTS FRANÇAIS

CIMENTS FRANÇAIS is an international construction materials Group with 4 basic activities: cement, aggregates, ready-mixed concrete and concrete products; it is ranked 4th in the world.

The Group is established in 14 countries in Europe, on the American continent and in North Africa.

In 1989 consolidated sales reached FF 12.5 billion, of which 35% were outside France. Net income increased by 27% to FF 1 billion. 3

Not many one year olds are as steady on their feet as CMB Packaging...

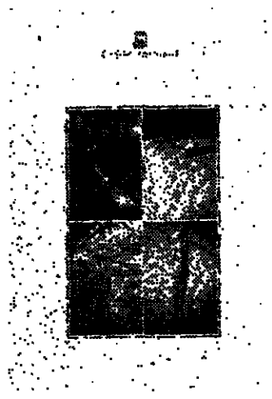
...and we know where we're going.

It's in our annual report

CMB
Europe's leading packaging group. 4

Crédit National

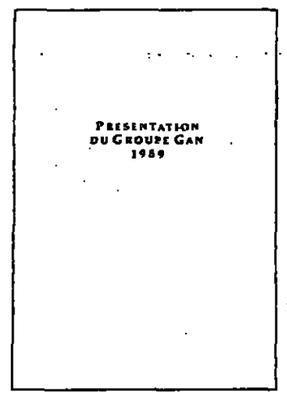
CREDIT NATIONAL, a major French financial institution, has become a group with numerous activities.



Revolving around loan activities, the following businesses have been developed
— Leasing activities.
— Equity financing,
— Bank and market operations
— Guarantee and insurance activities,
— Real estate transactions,
— International operations,
Loans outstanding in 1989 FF 79.1 billion
Chairman: Paul Mentre. 5

L'énergie de tous les projets gan

Combined together under one group, GAN and CIC represent the first European group of Bankassurance. Bringing together the two complementary activities allows the GAN group to exploit the synergies which exist between the banking and insurance sectors of the group and enables all its partners to benefit from this new orientation. Financial results of the group for the year 1989 show a strong growth (net profit: +27%; share capital: +38%).
This has enabled the GAN group to focus its strategy on:
- developing all possible areas of business which combine banking and insurance activities,
- increasing competitivity,
- developing its presence in foreign and insurance markets.
The dawn of a major project. 6



lyonnaise des eaux

"Lyonnaise des Eaux" is an international multiservice group employing 40,000 people on five continents.
Major specialities of group affiliates are closely related to environmental preservation: water supply and waste water treatment, waste management, energy technologies.

More recent activities serving communities are communication (cable TV networks), leisure activities (golf) and health care (facilities for the elderly).
Lyonnaise consolidated revenues were FF 21,6 billion and group share of net income was 726 million in 1989. 30% of revenues and 40% of income were generated from foreign operations. 7

PEUGEOT S.A.

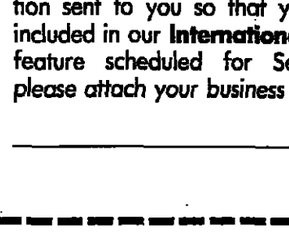
The PSA Group is Europe's third largest automobile manufacturer, with 12.7% of the European market in 1989, 32.8% of the French market and 2,216,100 vehicles produced in Europe. PSA is also France's largest exporter, with FF 62.5 billion in export sales.

In 1989, PSA had sales of FF 153 billion and earned net income of FF 10.3 billion, up 16.4% over 1988.

Chairman and Chief Executive Officer: Jacques Calvet. 8

The Petrofina Group

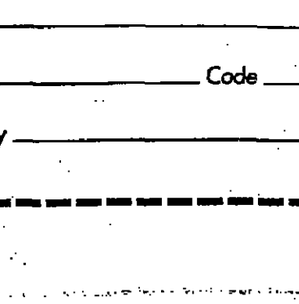
Petrofina heads the list of Belgian companies in terms of turnover and profit and is the parent company of a fully integrated international oil and energy Group.
The Group is firmly established in all sectors of the petroleum and natural gas industries: exploration and production, transport, refining, the marketing of petroleum and petro-chemical products and research and development.



The Group's activities also cover other sectors such as paints and coatings, oleochemistry, biotechnology, coal, ocean drilling with dynamically positioned drillships ;and industrial insurance.
Petrofina's strength lies in the efforts of all those who work in the Group's various companies. Throughout the world, more than 22,000 people work in some 200 subsidiaries. In thinking of Petrofina, spare a thought for them... they're working for you. 9

PolyGram

PolyGram N.V. is the leading popular and classical recorded music company outside the United States, and one of the three largest in the world. It has approximately 18% world market share, with over $2 billion in sales. PolyGram had record sales, income from operations and net income in 1989, its fifth year of consistent growth. The Company completed an initial public offering of 35 million shares in December 1989. It is listed on the New York and Amsterdam stock exchanges. Ticker Symbol: PLG. 10



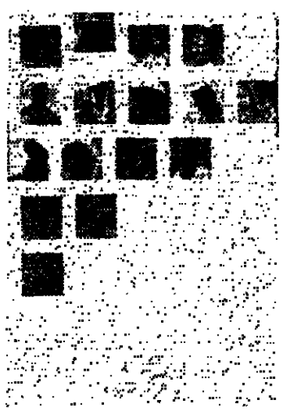
sanofi

WORLDWIDE PRESENCE AMOUNTING TO FRF 30 BILLION IN MORE THAN 100 COUNTRIES

33,000 men and women forming a truly international corporate concern
Three synergistic business segments:
Human Healthcare
Bio-Activities and Perfumes and Beauty Products.
FRF 1.6 billion devoted to Research in 1989.
Capital investments totalling FRF 1 billion in 1989. 11

SOLVAY

Solvay, founded in 1863, ranks among the top twenty chemical companies in the world. It operates through 350 establishments spread over 33 countries and has about 45,000 employees. Group sales amounted to nearly7 billion dollars in 1989. Its activities are concentrated in five sectors: alkalis, peroxygens, plastics, processing and health.



Solvay is an industrial group, not a holding company. Solvay management philosophy is to be involved only in those activities where it can master production and marketing techniques. The explains why it is the world's leading supplier for several of its products and on of the major suppliers for most of the others. 12

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IHT407

Hong Kong Considers Billion-Dollar Plan for Elevated Railway Link

By Steve Glain
International Herald Tribune

HONG KONG — An international consortium led by New World Development Co. of Hong Kong announced Tuesday a proposal to build an elevated transport network estimated to cost between 1 billion and 2 billion Hong Kong dollars ($128 million and $256 million).

The system, an outline for which was presented to the government two years ago, would link the west and east sides of the retail business district of Tsim Sha Tsui on the Kowloon peninsula. Kowloon lies on the mainland Chinese portion of this British colony, which returns to Beijing's control in 1997.

In addition to New World Development, a property and construction firm that recently purchased the hotels chain of the U.S.-based Ramada Inc., the consortium consists of Spie-Batignolles SA, a French construction and engineering firm; Indosuez Asia Ltd., the merchant banking arm of Banque Indosuez; and Acer Freeman Fox, a private U.K. engineer consulting firm.

The project leader, Dr. Paul Tong of New World Development, said his company controlled more than 50 percent of the consortium, but would not elaborate.

The group said at a press conference that funding would come from within the consortium through a mixture of debt and equity. Using debt obtained at interest rates of between 5 to 10 percent, the project should pay for itself between eight to 15 years after the operation begins, according to the group.

The consortium said they received support Tuesday from officials of the urban council and would submit a more detailed proposal to the government's finance and transport departments within the next few weeks. Mr. Tong said he expected the government to make a decision within a year.

The government transport department spokesman, John Chuan, said officials of Spie Batignolles and Acer Freeman Fox submitted a similar plan to the government two years ago, but never followed through.

"It was an interesting idea, but then we never heard from them," said Mr. Chuan.

Mr. Chuan would not comment on when the proposal was likely to be reviewed by the transport department, which is inundated with projects relating to Hong Kong's planned airport development that is scheduled to begin operating in 1997.

According to consortium members, the network would link existing ferry, rail and subway lines that are accessible only by taxi or bus.

Passenger traffic on the sky rail is estimated to reach 100,000 a day, and could increase to 250,000 a day by the turn of the century, according to the group's feasibility study. Construction from start to finish would take about three years.

The proposed rail system comes at a time when New World Development is considered by some analysts to be debt-heavy following its acquisition of Ramada Inns.

But despite its recent spending spree, analysts said the company is aggressively reducing its debt load by selling Ramada's North American hotels while keeping the management contracts.

India Hotel Firm Signs Deal With Radisson of U.S.

New York Times Service

NEW DELHI — India's leading state-owned hotel company said it has signed a collaboration agreement with Radisson Hotels International of Minneapolis for consultancy services, staff training and marketing.

An official at India Tourism Development Corp. said Monday that the agreement would cover four hotels, including the Ashok Hotel in New Delhi and three in southern India.

Under the agreement, the Indian company will be able to tie into Radisson's international reservation system, set up Indian ethnic cuisine restaurants in Radisson hotels and receive consultancy services for the purchase of hotel equipment.

About 15 to 20 Indian hotel staff members would be trained at the American company's expense in management techniques, equipment procurement and operating systems, the tourism official, Manjula Arun, said.

Seoul Complains that Japan Is a 'Technology Tightwad'

Reuters

SEOUL — Soh Jin-wha, who runs South Korea's largest private research center, gets guided tours of most of the important projects when he visits U.S. consumer electronics labs. In Japan, he barely gets in the door.

"Most of the Japanese labs don't let me in; they just lead me to an office and that's it," he said. "Japan got most of its technology from America, often for free or at a nominal price. So why are they so stingy?"

Industry and government officials in South Korea complain that foreigners, especially the Japanese, are becoming technology tightwads for fear of fierce Korean competition.

For Mr. Soh, who leads 2,300 researchers at the Samsung Advanced Institute of Technology in Seoul, gaining access to foreign technology is vital.

Samsung Electronics Co., South Korea's leading electronics firm, and other South Korean firms in industries as diverse as autos, steel and textiles, became export giants in the 1980s by wedding a diligent, low-cost labor force with technology bought or, some say, stolen from abroad.

A scarcity of new technology since then has meant a slowdown in product development that has hurt South Korea's ability to compete in the high-tech marketplace in the last two years. Rising wages, an appreciating currency and increased protectionism overseas have also undermined many of the nation's strategic advantages.

A major goal during South Korean President Roh Tae-woo's visit to Tokyo in May was to uncork Japanese technology flows. But Seoul knows it must ultimately rely on itself.

Japan sees South Korea as an economic rival and has become increasingly wary of selling it technology that may sharpen South Korea's competitiveness.

"There is no choice but to develop our own technology," said a director of a leading government-affiliated think tank.

Although far behind Japan in the race for new technology, South Korea is no slouch. It ranked 13th in the world last year in total research and development efforts, with 58,000 researchers and $3.5 billion in investment.

But the nation's economy is too small to compete across the board, and instead it is concentrating on information technology including microelectronics, computer software and optics.

South Korea has ambitious plans to nearly triple its researchers and increase its research spending by more than five times in the next decade to $18 billion.

It is not clear where the money will come from. Also, to take the global lead even in one narrow technology is expected to take at least 10 years, Mr. Soh said.

"In the meantime, we need help from overseas, especially Japan and the United States," he added.

Most of the licenses provided by Japan are not in leading-edge technologies. Japan fears that cutthroat Korean competitors will combine high technology with lower manufacturing costs to undercut Japanese firms.

Korean government and industry officials say the Japanese are so far ahead that their fears are unjustified. Instead, they believe Japan is trying to use its technology to wipe out its Asian competitors.

"Japan uses technology as a commercial weapon," said Choi Jong-Duk, general manager of strategic planning for Samsung.

Japanese firms sometimes refuse to sell key parts or to license technologies. If they do, it is only to extract huge fees or to play domestic firms off each other, Mr. Choi said.

A typical example is when Samsung developed its own thermal print head for facsimile machines. Previously, the heads were available only in Japan.

"As soon as they found out we'd gotten into mass production, they dropped their price to $30 — our cost. This meant we didn't make any profit," Mr. Soh said.

Auto Slump Hits Taiwan And Korea

Reuters

South Korea on Tuesday reported that exports of motor vehicles fell 28 percent in the first half of 1990, while two of Taiwan's three leading automakers announced that slumping sales there would force halts or reductions in output this month.

Taiwanese auto industry officials attributed the sagging sales to this year's stock market crash, which has forced consumers to cut spending.

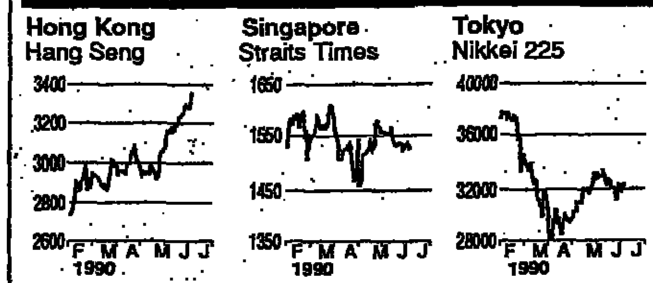
Ford Lio Ho Motor Co., a joint venture between Ford Motor Co. and local businessmen, and Yue Loong Motors Co. said they would temporarily halt production or reduce output this month to cope with sales declines.

San Yang Industry Co., the other industry leader in Taiwan, said sales had remained brisk in June but could drop slightly this month and further in August.

The disappointing performance in South Korea was due mainly to labor disputes last year at two of the country's largest car makers, Hyundai Motor Co. and Daewoo Motor Co., officials of the Korea Automobile Manufacturers' Association said. Exports of cars, trucks and buses fell year to year to 125,238 from 173,495.

"Labor disputes have not only cut production but also tarnished our image abroad and reduced our competitiveness," said Huh Wan, an association official. "Orders just aren't coming in like they were before."

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3356.55	3319.47	+1.12
Singapore	Straits Times	Closed	1524.35	-
Sydney	All Ordinaries	1512.80	1496.60	+1.08
Tokyo	Nikkei 225	32414.60	32160.23	+0.79
Kuala Lumpur	Composite	586.36	584.65	+0.29
Bangkok	Book Club	951.83	948.37	+0.36
Seoul	Composite Stock	745.04	713.18	+4.47
Taipei	Weighted Price	4905.87	5157.45	-4.88
Manila	Composite	852.45	870.17	-2.04
New Zealand	Barclays	1779.15	1773.16	+0.34
Bombay	National Index	N.A.	439.94	-

Sources: Reuters, AFP — International Herald Tribune

South Korea Reports 1st 1990 Trade Surplus

United Press International

SEOUL — South Korean exports outpaced imports by $230 million during June to produce the first monthly trade surplus of 1990, the Ministry of Trade and Industry reported Tuesday.

The report said exports rose 4.4 percent year to year to $5.667 billion, against imports totaling $5.437 billion, an increase of 2.1 percent.

Despite the strong June performance, South Korea's trade balance during the first six months of this year showed a deficit of $2.77 billion.

Exports during the period stood at $29.74 billion, up a scant 1.7 percent compared with the period a year earlier. Imports, on the other hand, rose a strong 11.5 percent year to year to $32.51 billion, the report said.

Allianz Buys 10% Stake In Thai Insurance Firm

Agence France-Presse

MUNICH — The West German insurance group Allianz AG has paid 3 million Deutsche marks ($1.8 million) for 10 percent of the Navakij Insurance Co. of Bangkok, the company announced here.

Under Thai law, foreign companies are not permitted to own a majority of local companies.

Broken Hill Is Forced to Look Beyond Australia for Profits

Agence France-Presse

MELBOURNE — Australia's ailing economy is forcing the nation's largest company, Broken Hill Pty., to look further overseas to secure healthy growth.

BHP hopes that booming Asian economies, its Escondida copper mine in Chile and petroleum exploration leases in Algeria, Burma and Argentina ensure its profitability.

Nippon Steel Corp. announced in Tokyo on Tuesday that it and two other Japanese steelmakers had signed a new contract to buy 3.1 million tons of BHP iron ore per year for seven years.

BHP started mining in Australia 105 years ago and began major foreign operations only recently. But its officials said the federal government's high-interest-rate policy had slashed short term opportunities at home.

BHP owns assets worth more than 21 billion Australian dollars ($16.65 billion), employs about 50,000 worldwide, sells about seven per cent of the nation's exports and made a 1.1 billion dollar net profit in the year to May 31.

Brian Loton, BHP's deputy chairman, told a seminar here Monday Asia's dynamic growth ensured ready customers.

"While many may look to eastern Europe and Russia for a boost to demand for consumer products, we see our particular area of interest as the Pacific Basin," he said.

"As the current slackening of economic activity in Australia is hurting many firms, large and small, BHP's global spread of businesses and our linkage to world economic growth provides a solid base for the future of the company."

Peter Willcox, the head of BHP's petroleum arm, said the company was exploring for oil in more than 20 countries. Algeria was the most likely place an oil bonanza would be struck, he said, while Burma was another good prospect.

He said BHP were close to agreement to explore in a 23,000 square kilometer (9,200 square mile) block offshore Vietnam.

Jim Curry, chief executive of BHP's minerals arm, said earnings this year would be boosted by the December opening of its 57.5 percent owned Escondida copper mine in Chile, eight months ahead of schedule.

He said staged expansion was planned for the Kalimantan Mines in Indonesia. New customers during the year included cement plants in India and Thailand and power plants in Hong Kong and the People's Republic of China.

In Mali, West Africa, discussions were underway with the authorities to obtain permits for exploration in addition to Syama Gold Mine, BHP's 80-percent-owned joint venture with Mali government.

John Prescott, chief executive of BHP steel, said steel exports, which jumped 57 percent to 1.22 million tons in 1989/90 were the only way to combat falling domestic orders.

"Our exports will grow another 30 percent this year," he said adding that 40 percent of these sales would go to Asia while 20 percent would head to North America.

The Japanese contract for the export of 3.1 tons of iron ore a year for seven years is with a consortium of Nippon Steel Co., Kawasaki Steel Corp., Sumitomo Metal Industries Ltd. and Kobe Steel Ltd.

ADVERTISEMENT

INTERNATIONAL FUNDS — July 3, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

ABC INVESTMENT & SERVICES CO (E.C)
(m) ABC FUTURES FUND LTD $ 180.96
ABN BANK LD.80, P.O. Box 669, Amsterdam
(w) ABN-Aandelenfonds FL 79.97
(w) ABN-Beleggingsfds Ned. FL 63.92
(w) Aldollar $ 21.70
(w) Alrenta FL 156.19
(w) America-Fund (LE) $ 173.18
(w) Asian Tigers Fund $ 35.79
(w) LDC Risk Inv.fund $ 1040.26
(w) Trans Europe Fund FL 88.30
(w) Trans Europe Fund $ 47.38
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 25.71
AL-MAL BANK LIMITED.
(w) Investment Units $ 108.10
(w) Currency Units $ 112.29
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Arbitrage Fund $ 265.16
(m) Alpha Futures Fund Ltd. $ 122.69
(m) Alpha Global Fund $ 421.81
(m) Alpha Hedge Fund $ 338.72
(m) Alpha Pacific Fund Ltd. $ 260.08
(m) Alpha Short Fund Ltd. $ 102.40
(m) Curran-Alpha Hlth Care Fd. $ 269.30
(m) Nicholas-Applegate Hea Fd $ 110.40
(w) Heisei Japan Fund Y 16648.00
(w) Nicholas-Applegate Aurelio. $ 148.87
ARRAL ASSOCIATES LTD
(w) Arral Int'l hedge Fund $ 89.18
(w) Arral Asian fund $ 127.39
BANK JULIUS BAER & CO.Ltd.
(d) Baerbond SF 881.00
(d) Conbar SF 1727.00
(d) Equibaer America SF 1896.00
(d) Equibaer Europe SF 1671.00
(d) Equibaer Pacific SF 1181.00
(d) Stockbar SF 2893.00
(d) SFR-BAER SF 987.00
(d) Swissbar SF 2517.80
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10078.00
(b) Germany Fixed Income DM 98.28
(b) Netherlands Fixed Income FL 100.13
(b) US Dollar Fixed Income US$ 102.48
(b) Japan Equity US$ 79.06
(b) Pacific Equity US$ 101.74
(b) Intl Portfolio 'A' US$ 101.72
(b) Intl Portfolio 'B' ECU 100.15
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,364.13
(r) Multicurrency Ecu ECU 1,208.56
(r) Multicurrency Yen Y 278,898.00
(r) Multicurrency FFR FF 11,043.01
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND. $ 202.69
(w) INTERBELGIAN. FB 59,831.00
(w) INTERECU FUND 'A' ECU 250.82
(w) INTERECU FUND 'B' ECU 1049.46
INTER CASH
(t) France Securite. FF 12,512.58
(t) France Monetaire. FF 10,748.44
(t) ECU ECU 1,387.93
(t) US$ $ 1,064.57
(t) DM DM 2,124.87
(t) GBP £ 1,056.82
(t) FRF FF 14,563.26
(t) France Capital. FF 11,674.33
INTER OPTIMUM
(w) BEF/LUF FB 72,119.00
(w) Multidevises DM DM 2,027.70
(w) US$ $ 1,082.39
(w) FRF FF 10,508.84
INTER STRATEGIE
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(w) Japon. YEN 147,059.00
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(w) Sud-Est Asiatique. $ 1,037.70
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INTER EQUITY
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(w) Pacific Offer. $ 24.99
(w) North American Offer. $ 12.58
(w) European Class. $ 12.06
(w) Australia Class. $ 10.11
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
(w) Int'l Equity Fund (Sicav) $ 12.09
(w) Int'l Bond Fund (Sicav) $ 11.18
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 37.48
(w) Asian Income Fund $ 8.75
(m) Dual Futures Fd. Class A Units $ 103.24
(m) Dual Futures Fd. Class B Units $ 103.33
(m) Dual Futures Fd. Class C Units $ 98.88
(m) Dual Fut. Fd. Class D Units $ 97.58
(w) Diverbond SF 77.10
(w) The Dragon Fund Sicav $
(w) FIF Int. Switz. SF 104.84
(w) FIF-Internat. Div.A $ 19.94
(w) FIF-Internat. Div.B $ 20.97
(w) FIF-Internat.America $ 16.25
(w) FIF-Internat.Pacific $ 49.94
(w) FIF Internat.Europe $ 34.47
(w) FIF Internat.Japan Y 1,173.00
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(w) FIF Int. Nat. Res. B $ 12.19
(w) France International FF 98.16
(w) France Blue chips No 1 FF 134,996.27
(m) Galaxy Futures Fd Ltd $ 119.34
(w) Gestion Selective FF 4,714.06
(w) Himalayan Fund $ 18.81
(w) Indosuez Mult. Div. A $ 131.28
(w) Indosuez Australia Fund. $ 4.090
(d) Indosuez Hong Kong Fund $ 18.725
(w) Indosuez Mult. Div.B $ 292.28
(w) Indosuez Multibonds US$ $ 188.81
(w) Indosuez Multibonds YEN Y 10,232.00
(w) Indosuez Mult. DM DM 184.45
(w) Intl Bond Fund $ 10.83
(w) ISA Japan Rec. Gr. Fd. Y 1,087.00
(w) IPNA-3 $ 1120.00
(w) Japan Fund $ 14.21
(d) Japan Warrant Fund $ 8.83
(w) Malacca Fund $ 16.70
(w) Managed Trust $ 20.20
(w) Manila Fund $ 8.35
(d) New Zealand Fund $ 7.62
(w) Japan Fund $
(w) North American Fund $ 34.46
(d) Oriental Ventures Trust $ 51.35
(w) Pacific Trust HK$ 34.27
(d) Pacific Warrant Trust $ 8.835
(w) Precious Metals Trust $ 9.735
(w) Sing. & Malay. Trust $ 16.785
(d) Worldwide Growth Fund $ 9.730
(w) The Siam Fund $ 30.92
(w) Pacific Gold Fund $ 11.41
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 1002.95
(w) Daiwa LCF Rothschild $ 1076.37
(w) Ecu D'Or ECU 89.10
(w) Hispano Int'l Fund ECU 10.75
(b) Pri-Tech $ 1171.78
(b) Source Sicav $ 11.74
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Curitor BP Fixed Inc.Fund DM 105.13
(b) Curitor BP General Fund DM 134.09
(w) Eagle Fund LF 9586.00
(d) Europe Japan Fund $ 10.27
(b) Governm. Sec. Fund $ 68.84
(w) Leicom $ 2777.22
(b) Opportunities Fund $ 898.40
(w) Priifrst $ 532.36
(b) Prirop fund DM 53.66
(w) Rente Plus BF 4856.00
(f) Select. Horizon Dev. FF 56007.75
(f) Select. Horizon FF FF 68380.25
(b) Star Conv.Fund FL FL 10,465.00
(b) Star Conv.Fund USD $ 186.94
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(w) Interbond Chf. SF 78.80
(w) Intelsec Chf. SF 1713.65
(w) Universal Intelbond $
(w) Universal Intelsec $
(w) Universal Intelbond FF
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.40
(d) Non-$ Money Market DM 32.39
(d) $ Bond $ 13.79
(d) Non-$ Bond DM 30.48
(d) European Equities $ 10.76
(d) Global Equity $ 18.62
(d) Global Bond $ 14.18
(d) Global Bond & Equity $ 15.36
(d) Pacific Equities $ 10.18
(d) Prec. Mets/Min. Secs $ 6.16
B.W MANAGED ASSETS CY. SICAV
(f) Global Bond Fund ECU 10.27
(f) European Securities Fd. ECU 14.58
(f) French Securities Fund FF 137.90
(f) North American Secu.Fund $ 13.00
(f) Pacific Basin Secu. Fund $ 9.12
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,057.02
(d) Fructilux-Obl.Euro ECU 1,119.52
(w) Fructilux-Act.Fses FF 7,887.48
(w) Fructilux-Act.Euro ECU 1,399.13
(d) Fructilux court terme FF 6,183.77
CALLANDER
(w) Callander Emer. Gr. $ 122.80
(w) Callander F-Asset $ 97.40
(w) Callander F-Austria AS 1,491.29
(w) Callander F-Spanish. Ptas 9,836
(w) Callander Swiss Gr. SF 159.87
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 97.58
(w) Capital Italia SA $ 43.78
CCF - GAMMA
(w) CM Actibonds $ 35.35
(w) CM Global Growth $ 11.07
(w) Elysees Court Terme FF 61,442.60
(w) Elysees Long Terme FF 54,778.48
(w) Elysees Monetaire FF 64,298.93
(w) EMF Sterlings (A & B) £ 538.87
(w) EMF Dutch Gul.(A&B) FL 1025.69
(w) EMF D-Mark (A&B) DM 986.70
(w) EMF Ecu (A & B) ECU 1,023.63
(w) EMF US Dollar (A & B) $ 1,076.17
(w) EMF Yen (A & B) YEN 99108.00
(d) Europe Prest. Fd A ECU 11.04
(d) Europe Prest. Fd B ECU 12.98
(w) Euro. Smlr Cos. Fd.A ECU 15.42
(w) Euro. Smlr Comp.Fd.B ECU 15.42
CDC INTERNATIONAL
(w) CFI Court Terme FF 126,379.26
(w) CFI Long Terme FF 1111533.58
CIC GROUP
(d) Oblicic Monetaire FF 12285.13
(d) Oblicic Court Terme FF 12254.23
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1387.98
(d) Citicurrencies Managed $ 1116.79
(d) Citiinvest Ecu Income ECU 1368.56
(d) Citiinvest Manag. Growth $ 1254.22
(d) Citi.Mana.Growth Euro ECU 1089.69
(d) Citiinvest Selector $ 944.41
(d) Citiinvest Guardian $ $ 1115.82
(d) Citiinvest Guard. Euro ECU 1093.48
(d) Citiport N.A Equity $ 142.49
(d) Citiport Jap. Equity Yen 10,248.00
(d) Citiport UK Equity £ 120.00
(d) Citiport S.Asian Eq. $ 142.41
(d) Citiport Cont.Euro. Eq. ECU 159.51
(d) Citiport N.A.S Bond $ 116.96
(d) Citiport Euro Bond ECU 105.42
(d) Citiport AS.Pac.Bd. YEN 11,031.00
CITITRUST
(w) US. $ Equities $ 217.95343
(w) US. $ Bonds $ 12.67203
(w) US. $ Money Market $ 13.35309
(w) Citiland $ 927.33438
(w) Citiperformance Ptf S.A $ 10.37914
(w) Global Equities $ 9.31080
(w) Global Money Market $ 12.21080
(w) Global Bonds $ 11.21080
(w) C.Croissance Fr.Suisse SF 2048.44
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond: Dollar Medium Term $ 10.95
(w) Bond: Ecu Multicur. ECU 10.26
(w) Equity: United Kingdom £ 9.97
CREDIT AGRICOLE: MOSAIS
(d) Actions Bassin Pacif. $ 16.04
(d) Actions Europeennes ECU 15.45
(d) Actions Francaises FF 183.20
(d) Actions Int. Div. FF 107.13
(d) Actions Japon Y 2133.51
(d) Actions Nord-Am. $ 15.77
(d) Court Terme ECU ECU 15.47
(d) Court Terme FRF FF 103.74
(d) Court Terme USD $ 15.02
(d) Oblig. Europeenes ECU 15.45
(d) Oblig. Francaises FF 103.97
(d) Oblig. Ht. Rendt. $ 16.04
(d) Oblig. Int. diversifiees FF 103.72
(d) Oblig. Int.Div.Sensib.Red FF 103.72
(d) Oblig. N. Americaines $ 15.12
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 75.00
(d) Bond Valor Swf SF 97.05
(d) Bond Valor US-DOLLAR $ 123.37
(d) Bond Valor D-mark DM 101.32
(d) Bond Valor Yen Y 9,869.00
(d) Bond Valor £ Sterling £ 92.01
(d) Convert Valor Swf SF 149.35
(d) Convert Valor US-DOLLR. $ 191.66
(d) CSF International SF 134.25
(d) Actions Suisses SF 643.25
(d) Europa-Valor SF 237.00
(d) Energie-Valor SF 153.50
(d) Canasec SF 527.00
(d) Ussec SF 751.00
(d) Pacific-Valor SF 161.50
(d) CS Eu. Blue Chips A DM 282.33
(d) CS Eu. Blue Chips B DM 282.33
(d) CS Gold Valor $ 136.25
(d) CS Ecu Bond A ECU 98.06
(d) CS Ecu Bond B ECU 121.42
(d) CS Euro Finance Fd 'A' DM 253.86
(d) CS Euro Finance Fd 'B' DM 253.86
(d) CS Europa Bond 'A' DM 243.98
(d) CS Europa Bond 'B' DM 266.89
(d) CS Gulden Bond A FL 95.05
(d) CS Gulden Bond B FL 111.53
(d) CS Hispano Iberia Fd 'A' PTS 26,460.00
(d) CS Hispano Iberia Fd 'B' PTS 368.08
(d) CS Prime Bond 'A' DM 88.74
(d) CS Prime Bond 'B' DM 100.37
(d) CS Short-T. Bd DM A DM 95.98
(d) CS Short-T. Bd DM B DM 112.83
(d) CS Short-T. Bd $ A $ 100.40
(d) CS Short-T. Bd $ B $ 122.46
(d) CS Money Market Fund $ 1515.99
(d) CS Money Market Fund DM 1303.99
(d) CS Money Market Fund £ 1676.39
(d) CS Money Market Fd Yen Y 121306.00
(d) CS Tiger Fund $ 620.17
DIT INVESTMENT FFM
+(d) Concentra DM 51.26
+(d) Int'l Rentenfond DM 71.69
EBC TRUST CO.(JERSEY) LTD.
1-3 Sele St.,St. Helier:0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid $ 13.73 Offer $ 14.327
@(d) Cap.: Bid $ 21.43 Offer $ 22.351
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 0.8627
(d) Short Term 'A' (Distr) $ 0.5605
(d) Short Term 'B' (Accum) $ 1.2736
(d) Short Term 'B' (Distr) $ 0.9077
(w) Long Term $ 32.4162
ELDERS SECURITIES INC.
W. Rafter, (212) 573-0440
(d) EFF $ 328.06
(d) ESP $ 164.39
ELDERS SWITZ.(038) 25 17 25
(w) Elders Inl Bid SF 105.25 Offer SF 117.75
(w) Elders Aus Bid A$ 86.75 Offer A$ 93.75
EQUIFLEX LIMITED
(w) Europe A FL 12.55
(w) North America A FL 9.88
(w) UK Equities £ 10.14
(w) UK Small Co. £ 7.91
EURO PACIFIC ADVISERS Ltd.
(w) Meteora Y 125,583.00
(w) Pacific Horizon Invt. Fd $ 2317.67
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountey Hill, EC4. 01-623-4680
(w) Amer.Smaller Cos.Eq.Ptfl. $ 11.48
(d) Ecu Bond Ptfl. ECU 10.32
(w) Oriental Equity Ptfl. $ 11.31
(w) European Equity Ptfl. $ 16.06
(w) Nordic Equity Ptfl. $ 16.67
(w) Amer. Mol. Equity Ptfl. $ 9.98
(d) Western Pac. Equity Ptfl. $ 11.81
(d) Mediterranean Equity Ptfl. $ 12.35
(d) British Equity Portfolio $ 10.58
(d) U.S.$ Sh. Term Asset Ptfl. $ 10.03
(d) Sterling Sh. Term Asset Ptfl. £ 10.22
(d) North American Bond Ptfl. $ 10.15
(d) Multi-Currency Bond Ptfl. $ 10.28
(d) Sterling Bond Portfolio £ 9.84
FIDELITY INT'L INV. MGMT (LUX.) S.A.
(d) New Europe Fund $ 12.32
(d) Fidelity Conv. Sec. Portf. $ 10.39
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.II Com. $ 98.23
(m) Fid.Amer.Val.III Com. $ 64.34
(m) Fid.Amr.Val.III Cum.Pref $ 102.05
(d) Fidelity Amer. Assets $ 140.51
(d) Fidelity Australia Fund $ 15.86
(d) Fidelity Dir. Svgs.Tr. $ 176.33
(d) Fidelity Pacific Fund $ 378.77
FIDELITY INT'L SERVICE (LUX.)
(d) Balanced Portfolio-hedged $ 9.90*
(d) Balanced Portfolio-unhedg $ 11.02*
(d) Fidelity Discovery Fund $ 17.76
(d) Fidelity Far East Fund. $ 76.57*
(d) Fidelity Frontier Fund $ 23.47
(d) Fidelity Global Ind. Fd $ 14.85
(d) Fidelity Global Selct Fd $ 15.84
(d) Fidelity Int'l. Fund $ 14.01
(d) Fidelity Orient Fund $ 13.90
(d) Fidelity Spcl. Growth Fd. $ 40.88
(d) Fidelity World Fund $ 72.45
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 1.10*
(d) European Portfolio $ 2.09
(d) Japan Portfolio $ 1.35*
(d) South East Asian Portfolio $ 1.28*
(d) U.K. Portfolio $ 1.15*
(d) Intl. Bond Portfolio $ 0.92*
(d) Sterling Liquidity Ptfl. £ 10.13*
(d) Dollar Liquidity Portfolio $ 10.07*
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 0.96
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.70
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ 113.47 Red $ 113.00
(w) Gaia Hedge II $ 219.90 Red $ 220.74
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) American $ 1.754
(d) Canadian fund Can$ 0.8919
(d) British £ 2.301
(d) European Fund DM 6.433
(d) Eastern European Fd DM 5.489
(d) Asia Pacific Fd $ 2.353
(d) Japan Fund Y 746.50
(d) Australasian Fund $ 0.3329
(d) Global Resources Fund $ 0.8077
(d) Emerging Markets Fund $ 1.434
(d) International growth $ 3.021
(d) Sterling Bond £ 0.9948
(d) E.C.U. Bond Fund ECU 0.9401
(d) International Bond $ 1.169
(d) US$ Deposit $ 1.025
(d) Sterling Deposit £ 1.014
(d) French Franc Deposit Fd FF 10.32
(d) Sw. Fr. Deposit SF 5.139
(d) DM Deposit DM 5.114
(d) Yen Deposit Y 510.6
(d) Austr.Dollar Dep. Fd AS 1.050
(d) Global Conv. Bond Fd $ 17.89
GEFINOR FUNDS
London: 071-4994171, Geneva: 41-22355530
(w) East Investment Fund $ 976.47
(w) Scottish World Fund £ 212.9543
(w) State St. American $ 330.99
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 27.87
(d) Capital Realinvest £ 129.57
(d) Rentinbel Distr. LF 9,670.00
(d) Rentinbel Cap. LF 11,006.00
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(w) GAM (CH) America SF 1298.00
(w) GAM (CH) Europe SF 100.00
(w) GAM (CH) Mondial SF 1332.00
(w) GAM (CH) Pacific SF 1680.00
GENESEE FUND LTD. 18/06/90
(w) (B)Genesee Short $ 108.57
(w) (C)Genesee Opportunity $ 102.84
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St,Douglas,I. of Man,44-624-24037
(w) GAM Arbitrage Inc $ 234.30
(w) GAMerica Inc $ 257.96
(w) GAM Australia Inc. $ 119.02
(w) GAM Asean Inc. $ 146.59
(w) GAM Bond Fund Inc U.S Ord. $ 108.45
(w) GAM Bond Fund Inc U.S Spe. $ 132.78
(w) GAM Bond Fund Inc. SF 88.85
(w) GAM Bond Fund Inc. £ 96.45
(w) GAM Bond Fund Inc. DM 85.76
(w) GAM Bond Fund Inc. Y 10,915.00
(w) GAM Boston Inc $ 234.02
(w) GAM Ermitage $ 32.15
(w) GAM Europe Fund $ 106.73
(w) GAM European Inc. $ 123.29
(w) GAM Franc-Val Inc. SF 220.25
(w) GAM France Inc. FF 1706.13
(w) GAM Global Fund $ 139.24
(w) GAM High Yield Inc. $ 93.11
(w) GAM Hong Kong Inc. $ 232.63
(w) GAM International Inc. $ 176.94
(w) GAM Japan Inc. $ 559.20
(w) GAM Money Mkts. Fund $ 100.12*
(w) GAM Money Mkts. Fund £ 100.24*
(w) GAM Money Mkts. Fund SF 100.13*
(w) GAM Money Mkts. Fund DM 100.12*
(w) GAM Money Mkts. Fund Y 10,011.80*
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 105.81
(w) GAM Mlti-Mgr Fd Inc Alloc. $ 102.23
(d) GAM Mlti-Mgr Fd - Trading $ 99.60
(w) GAM North America Fund $ 100.11
(w) GAM Pacific Basin Fund $ 135.30
(w) GAM Pacific Inc $ 544.42
(w) GAM Restr. Fd. Inc. $ 149.31
(w) GAM Singapore/Malay Inc $ 279.72
(w) GAM Swiss Fr Spec Bd Fd SF 95.07
(w) GAM Value Inc. $ 99.56
(w) GAM Worldwide Inc $ 451.37
(w) GAM Tyche S.A. Class A $ 199.20
(w) GAM Universal (Sp) Inc. SF 93.23
(w) GAM U.S. Inc. $ 170.44
(w) GAM Whitehorn Fund Inc. $ 145.97
(w) GAM ut Inc. $ 322.70
(w) GSAM Composite Inc. $ 224.97
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 59.86
(d) G.T. Asia Fund $ 15.69
(d) G.T. Australia Fund $ 26.50
(d) G.T. Berry Japan Fund $ 39.02
(w) G.T.Biotechn./Health Fund $ 11.76
(w) G.T. Bond Fund $ 15.81
(w) G.T. Britain Fund £ 6.74
(d) G.T. Deutschland Fund $ 15.02
(w) G.T. Dollar Fund $ 21.77
(d) G.T. Europe Fund $ 37.38
(w) G.T. Emerging Mkts Fund $ 10.00
(w) G.T. Euro. Small Cos. Fund $ 39.14
(w) G.T.Global Small Cos.Fund $ 17.44
(d) G.T.Global Techno. Fd $ 19.05
(d) G.T. Hong Kong Fund $ 31.69
(d) G.T. Honshu Pathfinder $ 14.85
(d) G.T. Investment Fund $ 13.37
(w) G.T. Japan OTC Stocks Fund $ 14.04
(w) G.T. Japan Sml Co.Fd $ 18.75
(w) G.T. Korea Fund $ 6.61
(w) G.T. Nat Res. Fd Gold Class $ 5.52
(d) G.T. Newly Ind. Countr. Fd $ 32.51
(d) G.T. Select Dollar Bd Ptf $
(d) G.T. Select Int Bd Ptf. £
(d) G.T. Select Gilt Ptf. £
(r) G.T. Technology Fund $ 44.01
(d) G.T. U.K. Small Companies $ 8.47
(d) G.T. U.S. Small Companies $ 16.42
HENDERSON HORIZON FUND
(d) HHF Japan Portfolio $ 12.99
(d) HHF Japan Sm. Cos. Ptfl. $ 23.00
(d) HHF Pacific Portfolio $ 12.19
(d) HHF North Amer.Portfolio $ 3.18
(d) HHF European Portfolio $ 9.35
(d) HHF U.K. Portfolio $ 6.11
(d) HHF Global Portfolio $ 10.33
(d) HHF Fixed Interest Ptfl. £ 8.73
(d) HHF Dollar Liq. Ptfl. $ 0.7983
(d) HHF Sterling Liq. Ptfl. £ 7.0697
(d) HHF Invt. Cos. Ptfl. $ 10.85
HENDERSON PTFL. MGT. SERVICE
(d) HPMS Dol. Bal. Gr. Ptfl. $ 2.112
(d) HPMS Sterl. Bal. Gr. Ptfl. £ 1.314
(d) HPMS Dol. Sel Markets Ptfl $ 2.170
(d) HPMS Dol.Income & Gr. Ptfl $ 1.815
(d) HPMS Sterl. High Inc. Ptfl. £ 8.602
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Ptfl UK Equity £ 9.59
(d) H. S. Glbl Ptfl UK Sm.Co.Eq. £ 9.80
(d) H. S. Glbl Ptfl N.Amer. Eq. $ 9.90
(d) H. S. Glbl Ptfl US Sm.Co.Eq. $ 9.20
(d) H. S. Glbl Ptfl Pac.Bas.Eq. $ 9.27
(d) H. S. Glbl Ptfl Jap. Eq. Y 941.00
(d) H. S. Glbl Ptfl Euro Eq. DM 10.27
(d) H. S. Glbl Ptfl St.Fix.Int. £ 9.62
(d) H. S. Glbl Ptfl Eu.Fix.Int. DM 9.26
(d) H. S. Glbl Ptfl Glbl. Eq. $ 9.59
(d) H. S. Glbl Ptfl Glbl. Bond $ 9.59
(d) H. S. Glbl Ptfl Glbl. Mgd. $ 9.38
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 15.19
(d) CSF (Balanced) SF 36.36
(d) European Equity Fund DM 21.03
(d) Intnl. Bond Fund $ 12.64
(d) Int. Currency U.S.Manag'd $ 28.18
(d) ITF Fd (Technology) $ 23.82
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 82.03
(w) Iam Bonds Fund-France FF 596.24
(w) Iam Bonds Fund-Deutsch DM 221.31
(w) Iam Bonds Fund-Japan Y 10,494.00
(w) Iam Bonds Fund-Switz. F$ 214.64
(w) Iam Bonds Fund-U.S.A $ 106.22
(w) Iam Bonds Fund-Europe ECU 117.76
(w) Iam Bonds Fund-Netherl FL 198.64
(w) Iam Europe global ECU 105.65
(w) Iam Europe luxe ECU 110.54
(w) Iam Europe 90/10 ECU 105.68
(w) Iam Europe 1992 ECU 112.04
(w) Iam Europe du Sud ECU 112.19
INTERSELEX GROUP
(d) Int.America Fund $ 17.66
(d) Int.Belgo Fund LF 3171.00
(d) Int.Europa Sicav LF 6905.00
(d) Int.Pacific Fund $ 1069.01
(d) Int.World Fund $ 96.16
ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 53.00
(w) Class B (Global Equity) $ 10.81
(w) Class C (Global Bond) $ 10.82
(w) Class D (Ecu Bond) ECU 9.87
ISLAMIC MGMT FUND LTD $ 1112.66
CSFB Fund Mgmt Ltd (0481-713996)
PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 21189.00
(d) J.F Pacific Sec. Trust $ 28.37
(d) J.F Pacific Income Trust $ 91.81
(d) J.F Hong Kong Trust $ 81.22
(d) J.F European $ 13.85
(d) J.F International $ 15.21
(d) J.F Glb Convertibles Trust $ 13.21
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1364.40
(b) Stonehenge Ltd. $ 1057.15
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.87
(d) Emerging Asia Fund ECU 2.016
(d) European Fund ECU 2.07
(d) Japanese Fund ECU 1.92
(d) International Fund ECU 1.90
(d) North American Fund ECU 1.87
(d) Pacific Fund ECU 1.96
LIPPO ASIA LIMITED
(w) Java Fund $ 10.77
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 307333/ext. 3394
+(w) Lloyds Int'l Dollar $ 110.20
+(w) Lloyds Int'l Europe SF 196.50
+(w) Lloyds Int'l Growth SF 209.00
+(w) Lloyds Int'l Income SF 260.00
+(w) Lloyds Int'l N. America $ 172.80
+(w) Lloyds Int'l Pacific SF 184.70
+(w) Lloyds Int'l. Smaller Cos $ 18.24
MAN INTERNATIONAL FUTURES
(m) Alubaf Mint Gtd.Fund.Ltd. $ 105.94
(m) Mint Limited - Ordinary $ 42.88
(m) Mint Limited - Income $ 15.38
(m) Mint Gtd Ltd - Spec Issue $ 21.07
(m) Mint Gtd Ltd - Series A $ 22.92
(m) Mint Gtd Ltd - Nov 1993 $ 20.15
(m) Mint Gtd Ltd - Jan 1994 $ 16.26
(m) Mint Gtd Ltd - Dec 1994 $ 14.21
(m) Mint Gtd Ltd - Aug 1995 $ 11.54
(m) Fbme Mint Gtd Plc $ 123.72
(m) Mint Sp Res Ltd (BNP) $ 110.69
(m) Newcastle Guaranteed Ltd $ 11.94
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 20.25
(m) Sterling Class £ 4.14
(m) U.S Dollar Class $ 9.13
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 12.19
(d) Multi-Curr. Bond Portfolio $ 15.13
(d) U.S.A Income Portfolio $ 9.27
(d) US Federal Securities $ 9.63
(d) World Nat Res Pfl. Share A $ 11.16
(d) World Nat Res Pfl. Share B $ 11.10
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.41
(d) Canadian Dollar Pfl. C$ 10.04
(d) Deutschmark Portfolio DM 9.86
(d) Pound Sterling Portfolion £ 10.45
(d) US Dollar Portfolion $ 11.07
(d) Yen Portfolio Y 980.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 10.88
(d) Class B $ 10.71
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 11.49
(d) Class B $ 11.46
BASIC VALUE PORTFOLIO
(d) Class A $ 10.14
(d) Class B $ 10.11
MIM BRITANNIA,POB 271, St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.312*
(d) Asia Super Growth Fund $ 14.69
(d) Dollar Man.Curr $ 14.01*
(d) Dollar Man. Port $ 2.323
(d) Gold & Prec. Metals $ 0.940
(d) Gtd. N.W. 1994 $ 8.23
(d) Int.High Income $ 2.410*
(d) Japan Dollar Perf. Fd $ 4.126
(d) Jersey Gilt £ 0.1700
(d) Nippon Warrant Fund $ 20.41
(d) Okasan Global Strat $ 18.69
(d) Pioneer Markets £ 3.189
(d) Sterling Man.Port £ 1.817
(d) Sterling Man. Curr. £ 17.14
(d) U.K. Growth £ 1.055
NIMARBEN
(w) Class A $ 183.00
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 1.273
(w) NMB Dutch Fond FL 15.06
(d) NMB Real Estate Fund. FL 34.90
(d) NMB Euromix Fund LF 2.090
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 9.95
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 11.39
OBLIFLEX LIMITED
(w) Multicurrency $ 21.76
(w) Dollar Medium Term $ 17.19
(w) Dollar Long Term $ 15.91
(w) Japanese Yen Y 22.94
(w) Poud Sterling £ 15.75
(w) Deutsche Mark DM 12.52
(w) Dutch Florin FL 12.75
(w) Dutch Florin Multi. FL 10.33
(w) HY Euro. Currencies ECU 10.35
(w) HY Euro.Curr.Divi.Pay. ECU 10.36
(w) Swiss Franc SF 10.73
(w) Swiss Franc Divi. paying SF 10.65
(w) US Dollar Short Term. $ 10.27
(w) Swiss Multicurrency SF 11.57
(w) European Currency ECU 14.25
(w) Convertibles $ 11.82
(w) French Franc F 103.84
(w) Swiss Multi-dividend SF 9.11
OLYMPIA Capital Intl.BVI
c/o OCM, 17 ave. George V, 75008 Paris
Tel.: 33-1-47208324
(w) Finsbury Group $ 133.90
(w) Winchester Capital $ 100.92
(w) Winchester Frontier $ 225.26
(w) Winch.Hold.-Intl.SerD ECU 1,192.16
(w) Winch.Hold.-Intl.SerF ECU 1,175.40
(w) Winchester Hold.-US$ $ 15.77
(w) Winch.Reser.Multi.Gvbd $ 12.37
(m) Winch.Fut.Divers. $ 16.10
(m) Winch.Fut.Orion $ 17.98
PARIBAS-GROUP
(d) Belux Fund LF 11,541.00
(d) Cortexa International $ 136.45
(d) Ecupar ECU 1,405.97
(d) Luxor $ 7.96
(d) Moneyflow LF 10,037.00
(d) Parinter Fund $ 237.51
(d) Par US Treas. Bond 'Cl. B' $ 156.27
(d) Europhenix ECU 197.07
(d) Parinter Bond Fund $ 13.35
(d) Paribas-Rente 'A' LF 1,213.00
(d) Paribas-Rente 'B' LF 1,401.00
(d) Parvest Obli-Franc 'A' FF 1,318.33
(d) Parvest Obli-Franc 'B' FF 1,316.33
(w) Parvest SF 934.48
(w) Parvest Obli-DM 'A' DM 1,177.55
(w) Parvest Obli-DM 'B' DM 1,314.21
(w) Obligestion SF 86.64
(w) Parvest Obli-Dollar 'A' $ 1,140.15
(w) Parvest Obli-Dollar 'B' $ 1,236.58
(w) Parvest Obli-Yen 'A' Y 106627.00
(w) Parvest Obli-Yen 'B' Y 116859.00
(w) Parvest Obli-Gulden 'A' FL 967.76
(w) Parvest Obli-Gulden 'B' FL 1,109.62
(w) Parsuisse SF 1,610.87
(w) Parjapon Y 3,622.00
PERMAL GROUP
(m) Drakkar Growth $ 2173.99
(m) EuroMir (ECU) Ltd. ECU 1022.80
(m) Media Ltd. $ 874.37
(m) Noscal Ltd $ 1442.44
(m) Special Opportunities Ltd $ 1729.90
(m) Updvice Ltd $ 264.32
(m) Value N.V. $ 2037.65
PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 36.38
(w) Asian Selection Fd. N.V. FL 32.54
(w) DP Amer. Growth Fd N.V. $ 27.69
(w) Eur. Growth Fund N.V. FL 66.24
(w) Japan Diversified Fund $ 46.72
(w) Leveraged Cap Hold $ 354.37
(w) Tokyo Pac. Hold. N.V. $ 265.71
PIONEER GROUP
(d) Pioneer Fund $ 22.88
(d) Pioneer II $ 18.59
PUTNAM
(d) Emerging Hlth Sc. Trust $ 20.55
(w) Putnam Em. Info. Sc. Tr $ 16.65
(w) Putnam Glob. High Growth $ 14.21
(d) Putnam High Inc. GNMA Fd $ 9.34
(d) Putnam Int'l Fund $ 12.66
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 99.80
(d) Rolinco FL 100.30
(d) Rorento FL 59.70
(d) Rodamco FL 80.80
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 193.89
ROYAL & CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 5.348
+(w) RBC Canadian Fund Ltd C$ 13.90
+(w) RBC European Fund $ 14.18
+(w) RBC Far East&Pacific Fd $ 47.25
+(w) RBC Int'l Capital Fd $ 62.30
+(w) RBC Int'l Bond Fund Ltd. $ 12.83*
+(d) RBC Man.Currency Fd $ 39.80
+(w) RBC North Amer. Fd $ 15.61
ROYAL TRUST ASSETMIX FUND
Lux.Tel.:(352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.28
(d) Alpha US$ $ 1.48
(d) Alpha Worldwide SF 4.91
(d) Alpha Japanese Y 1009.00
(d) Alpha Pacific Rim $ 1.44
(d) Alpha European ECU 1.32
(d) Gold Share $ 1.04
BOND FUNDS
(d) Sterling Pound £ 105.65
(d) US$ Bond US$ 110.75
(d) Deutschmark Bond DM 48.41
(d) Alpha Worldwide SF 52.32
RESERVE FUNDS
(d) Sterling Reserve £ 12.317
(d) US$ Reserve $ 11.246
(d) Deutschmark Reserve DM 10.942
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 8.25
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 12.95
(w) Equity Intl Inc $ 11.73
(d) Equity Global $ 1.29
(w) Equity Far East $ 2.09
(w) Equity Gold $ 0.82
(w) Equity Japan Y 133.00
(d) Equity Nordic $ 1.56
(d) Equity U.K. £ 1.18
(d) Equity Continental Europe $ 1.44
(d) Equity Mediterranean $ 1.28
(d) Equity North America $ 1.28
(d) Bond DEM DM 0.97
(w) Bond Intl Acc $ 8.17
(w) Bond Intl Inc $ 6.46
(d) Bond Sweden SEK 10.47
(d) Bond Dollar $ 1.01
(w) High Income Acc $ 1.16
(w) High Income Inc $ 0.98
(w) Multicurrency $ 1.2189
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 12.02
(w) SF Bonds B Germany DM 22.69
(w) SF Bonds C France FF 88.95
(w) SF Bonds D Switz. SF 28.00
(w) SF Bonds E G.B. £ 8.55
(w) SF Bonds F Japan Y 1046.00
(w) SF Bonds G Europe ECU 12.29
(w) SF Bonds H World Wide $ 12.15
(w) SF Bonds J Belgium BF 585.00
(w) SF Eq. K North America $ 12.77
(w) SF Eq. L W. Europe ECU 13.71
(w) SF Eq. M Pacific Basin YEN 1676.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 13.90
(w) SF Equities Q Gold Mines $ 10.75
(w) SF Equities R World Wide $ 12.64
(w) SF Short Term S France FF 120.82
(w) SF Short Term T Eur. ECU 11.83
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 104.75
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(b) SHB Bond Fund $ 44.90
(w) Svenska Select.Fd Intl Sh. $ 46.03
(w) Svenska Select.Fd America Sh $ 13.05
(w) Svenska Select.Fd Asia Shares $ 8.90
(w) Svenska Select.Fd Germany DM 10.94
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.29
(d) Svenska Sel.Fd Nordic Shs $ 12.38
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.33
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor $ 304.91
(d) AngloValor £ 186.16
(d) Asia Portfolio SF 624.97
(d) Convert Bond Selection SF 96.16
(d) Dollar Bond Selection $ 132.88
(d) D-Mark Bond Selection DM 106.17
(d) Ecu Bond Selection ECU 96.46
(d) Florin Bond Selection FL 110.66
(d) FranceValor FF 1897.90
(d) GermaniaValor DM 572.70
(d) Gold Portfolio SF 340.80
(d) ItalValor Lit 513521.00
(d) Japan Portfolio Y 34973.00
(d) SBC Ecu MMF. ECU 2714.27
(d) SBC £ MMF. £ 2015.81
(d) SBC Yen MMF. YEN 501,775.00
(d) SBC US$ MMF. $ 6110.90
(d) SBC 100 Index Fund SF 1204.80
(d) SBC Sfr Bond A/B SF 1046.17
(d) Sterling Bond Selection £ 102.54
(d) Sw. Foreign Bond Selec. SF 101.12
(d) Swissvalor SF 406.75
(d) Universal Bond Select. SF 73.00
(d) UniversalFund SF 117.61
(d) Yen Bond Selection Y 11241.00
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(d) Class A-1 $ 10.61
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(d) Class A-3 $ 10.74
(d) Class B-1 $ 10.53
(d) Class B-2 $ 10.83
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(d) Class B $ 10.37
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(m) Galaxy Futures Fd. Ltd. $ 110.34
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(d) Thornton Int opps.fund $ 2.14
(d) Pacific Invt. Fd. S.A. $ 10.98
(d) Pac.Invt. Fd. SA DM 32.16
(d) Pac.Invt. Wrnts Fd.S.A. DM 17.52
(d) Pac.Invt. Warrants Fd.S.A. £ 5.98
(d) Thornton Kangaroo Fd Ltd. $ 9.89
(d) Thornton HK & China $ 14.87
(d) Thornton Japan Fund Ltd $ 35.27
(d) Thornton Orient.Inc. Fd Ltd $ 24.92
(w) Thornton Phil. Redev. Fd $ 36.17
(d) Thornton Tiger Fund Ltd $ 34.68
(d) Thor.Pacific Tech.Fd Ltd $ 10.37
(d) Thor.Litl. Dragons Fd Ltd $ 28.27
(d) Thor.Golden Opport.Fd $ 5.18
(d) Eastern Crusader Fund $ 11.05
(w) The Global Access Fund $ 9.6
NEW TIGER SEL. FUND
(d) Thailand $ 12.91
(d) Malaysia $ 10.24
(d) Indonesia $ 9.58
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd. $ 10.35
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(d) Amer Spec Sits $ 47.78
(d) Eurobond $ 28.97
(d) Mortgage C$ 13.99
(d) Overseas $ 29.10
(d) Tiger $ 47.16
(d) High Yield Bond £ 61.90
(d) Marunouchi £ 88.60
(d) Far Eastern $ 604.70
(d) Gilt £ 511.30
(d) Mgd Currency-Dollar $ 1.263
(d) Mgd Currency-Stlg £ 114.10
(d) 1992 £ 303.90
(d) Wall Street $ 246.30
(d) Hi Inc Gilt & Bulldog £ 96.50
UEBERSEEBANK, ZURICH
(d) B-FUND SF 943.13
(d) M-FUND SF 1073.85
(d) E-FUND SF 397.52
(d) J-FUND SF 380.55
(d) M-Distribution SF 99.53
(d) UBZ Euro-Income Fund SF 9.41
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 39.00
(d) Bond-Invest SF 57.00
(d) Brit-Invest Shares SF 780.00
(d) D-Mark-Invest Bds DM 202.10
(d) Dollar-Invest Bds $ 113.56
(d) ESPAC Spanish sh SF 214.00
(d) Eurit SF 369.00
(d) Fonsa Swiss Sh. SF 233.60
(d) Francit Shares. SF 225.00
(d) Germac Shares SF 275.00
(d) Globinvest Shares. SF 188.50
(d) Gold Invest Shares. SF 205.50
(d) Holland-Invest Sh. SF 243.00
(d) Itac Shares SF 238.00
(d) Japan-Invest Sh. SF 1280.50
(d) Sima (stock price) SF 228.50
(d) Skandinavien-Invest SF 296.00
(d) UBS Money Mkt Inv. $ 1053.51
(d) Yen-Invest Bonds. YEN 84,901.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.60
(d) Unifonds DM 47.00
(d) Unirak DM 92.95
(d) Unizins DM 105.85
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(d) Univers Sav Amer C$ 9.87
(d) Univers Sav Equity C$ 11.14
(d) Univers Sav Global C$ 5.63
(d) Univers Sav Pacific C$ 9.46
(d) Univers Sav Nat. Res C$ 5.53

Other Funds
(b) Abacus Guart.Fd.Mar.'94 $ 10.21
(r) Actircroissance $ 516.83
(d) Actifinance Intl $ 1076.65
(w) Actigestion FF 1244.46
(w) Activest Intl $ 23.57
(d) Amvabel FL 71.30
(w) Aquila International Fund $ 308.63
(b) Ariane $ 3,518.83
(d) Asia Oceania Fund $ 10.23
(m) Associated Investors Inc. $ 775.53
(m) Atlantic Fund $ 85.02
(d) Atlas Fund SF 115.10
(r) Australia Fund $ 16.34
(w) BDD Inv Fund-Ecu Bd ECU 5180.58
(w) BEM International $ 5.50
(d) Berg Norden Sicav $ 160.97
(w) Berg Trust Sicav $ 135.61
(w) Berg Trust Sicav Switz. SF 163.19
(w) Bergen Int'l Fund. $ 11.48
(w) Bever Beleggingen++ $ 25.50
(w) Bondselex-Issue Pr. SF 102.35
(d) Bristol $ 940.00
(m) J Capel guaranteed Fund $ 9.97
(w) CMI Investment Fund $ 1408.11
(d) Cash Gestion FF 10008.08
(d) CB German Index Fund DM 143.44
(m) Cleveland Offshore Fd. $ 29.47
(w) Columbia Securities. FL 113.46
(m) Commod. Gtd. Fund/USA $ 3.81
(d) Conqueror Fund Ltd $ 88.50
(w) Convert. Fd. Int'l A Certs $ 17.41
(w) Convert. Fd. Int'l B Certs $ 58.64
(w) Cumber Intl N.V. $ 250.40
(w) Daiwa Japan Fund Y 9144.00
(w) D.G.C. $ 213.16
(d) D-mark-Baer Bond Fd. DM 974.00
(d) Dollar-Baer Bond Fd $ 1132.00
(d) D. Witter Wld Wide Ivt Tst. $ 25.96
(d) Dreyfus America Fund $ 17.90
(d) Dreyfus Fund Int'l. $ 67.21
(w) Dreyfus Intercontinent $ 11.87
(m) Dumenil Arbitrage Fd NV $ 871.97
(d) Emi Germ. Ind Plus(A) DM 102.35
(d) Emi Germ. Ind Plus(B) DM 102.35
(d) Emi France Ind Plus(A) FF 976.68
(d) Emi France Ind Plus(B) FF 976.68
(d) Emi Uk Index Plus (A) £ 100.79
(d) Emi Uk Index Plus (B) £ 100.79
(d) Emi Belg. Index Plus(A) BF 9,811.00
(d) Emi Belg. Index Plus(B) BF 9,811.00
(d) Equicurrency (DOM) ECU 1.24
(w) Esprit Sicav ECU 1349.01
(w) Expir. Sto Inv M Sth Eur Fd $ 12.37
(d) EURASUD FF 1142.84
(d) Europe Obligations ECU 74.43
(d) Europa 1992 $ 11.57
(m) Fatum Fund $ 1004.53
(w) Fairfield Int'l Ltd. $ 150.00
(w) Fairfield Strat. Ltd. $ 60.00
(w) First Eagle Fund $ 38,520.63
(m) First Frontier Funds $ 97.64
(w) F.I.T. Fund ff FF 113.26
(w) Fondiitalia $ 90.62
(w) Fonselex Issue Pr. SF 179.30
(d) Forexfund Limited $ 8.97
(w) Formula Selection Fd. SF 73.93
(d) Frankf-Trust Eff. Fd DM 179.81
(d) Frankf-Trust Interzins. DM 39.58
(m) Gems Progressive Fd Ltd. $ 1,023.28
(w) George V INV. BOND F. $ 21.77
(m) German Sel. Associates DM 2279.10
(d) Green Line France FF 734.77
(d) Guardian $ 940.00
(w) Haussmann Hldgs. N.V. $ 310.64
(w) Hestia Funds $ 156.46
(w) Horizon Fund $ 1757.48
(w) Ibex Holdings Ltd. SF 178.85
(w) IFDC Japan Fund YEN 41,405.00
(r) ILA-IGB $ 8.51
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 14.95
(w) IncAsia N.V. $ 9.97
(w) Inpremer $ 10.49
(w) Interecu Fund 'A' ECU 1043.72
(w) Interecu Fund 'B' ECU 249.45
(m) Interface Fund Ltd. $ 149.22
(d) Interfund SA $ 47.99
(w) Intermarket Fund $ 426.19
(r) Int'l Securities Fund $ 29.05
(w) Intersec SA $ 4297.71
(d) Investa DWS DM 84.24
(d) Investmentor Fund $ 100.79
(m) Japan Selection Asses. Y 11,088.00
(w) Japan Pacific Fund $ 255.49
(w) Japan Res.Growth F. Yen 1003151.00
(w) Japan Selection Fund $ 215.52
(d) JJ Placement FF 11784.35
(d) Kenmar L/C $ 10.00
(d) Kenmar Guarantee $ 10.00
(w) Kenmar Intl - B $ 9351.00
(m) Key Hedge Fund Inc. $ 104.08
(w) Kleinwort Bens. Jap. Fd. $ 248.54
(d) KML-II H.Yield 29/06/90 $ 717.66
(w) Korea Growth Trust $ 33.93
(w) LACO International $ 7.07
(w) Leumi Vol.Francaises. FF 1051.74
(w) Liberty Offshore Fund $ 107.44
(m) Liquibaer $ 1882.00
(m) London Portfolio G'td. I $ 86.33
(m) London Portfolio G'td. II $ 8.36
(w) Luxfund $ 112.21
(m) Lynx Sel.Holdings SF 135.84
(m) MALABAR Int. FUND $
(m) MCM Int. Limited $ 136.50
(w) Moore Global Invts. Ltd. $ 1,275.74
(w) ML.Morgens Lv H.Y.Inv.NV $ 9.46
(w) Mediolanum Sel. Fd. $ 48.63
(d) NCA FUND $ 12.44
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 206.96
(w) NMT Citadel Bond SF 109.94
(m) NMT Nostec Portfolio s/s $ 118.79
(w) NM Inc. & Growth Fund $ 16.58
(d) Nomura-Cap Int Eq Fd $ 14.91
(d) Nordmix Lit 11985.00
(m) Nova Plus Fund I Ltd. $ 1000.00
(w) Noveurope ECU 3298.84
(m) NSP F.I.T. $ 275.80
(m) Oppenheimer U.S.Arb. $ 124.28
(w) Optimum Fund $ 1,333.68
(m) Overlook Performance $ 1213.84
(d) Pacific Nlles Fund $ 9.73
(w) PAM Futures Trad. $ 458.15
(w) Pancurri Inc. $ 152.41
(m) Paragon Fund Limited $ 9.64
(d) Pro Traders Judgement $ 89.90
(w) Prosp. I.H.Inc.P.F 22/06/90 $ 5.55
(w) Pagel-Mahe Barclays Poc. $ 198.18
(w) Quantum Fund N.V. $ 14,579.57
(w) Rep.(Guernsey) Dol.Inc.ld $ 9.78
(d) SAGA Ameriques FF 816.41
(d) SAGA Court Terme FF 1141.04
(d) SAGA France Sicav FF 525.98
(d) SAGA Long T.Capital FF 1056.59
(d) SAGA Opportunites FF 895.17
(d) SAGA Premiere FF 1134.87
(w) Samurai Portfolio SF 297.30
(d) Sanyo Kle.Spain Fd $ 12.27
(d) Sarakreek Holding n.v.+++ $ 29.00
(m) Scimitar Guaranteed $ 7.85
(m) Scimitar Guar.Cur.Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 21.09
(w) SP International S.A. $ 5157.15
(m) SLH Gaar. F.F.I. $ 915.39
(d) Strat Int'l Gold Fund S.A $ 6.85
(w) Sussex Silverman $ 1096.00
(w) Techno Growth Fund SF 64.36
(d) Templeton Glob Inc. $ 9.50*
(m) The Petrus Fund Ltd. $ 1.13
(m) TIIC(O.T.C)Jap.ld Sicav $ 18.44
(w) Transpacific Fund Y 37940.00
(d) Triton Offshore Class A $ 979.60
(d) Triton Offshore Class B $ 971.23
(d) Tudor B.VI Futures,LTD $ 5590.91
(d) Turquoise Fund $ 228.96
(w) Tweedy,Browne n.v.CLA $ 3661.95
(w) Tweedy,Browne n.v.CLB $ 1790.15
(m) Tweedy,Browne (U.K.) n.v. $ 1371.27
(d) Unico Inv.Fund DM 71.57
(d) Unico Equity.Fund DM 66.99
(d) Uni Bond Fund ECU 1582.61
(r) Uni Capital Fund $ 1714.04
(m) Unitrad FF FF 10,591.61
(m) Unitrad SF SF 1,049.75
(m) Unitrad $US $ 1,028.38
(d) Univers Bonds DM 133.49
(w) Vanderbilt Assets $ 16.34
(m) Victor Futures Fund $ 187.00
(d) Victoria Holdings Limited $ 87.50
(w) Willerbond Capital $ 14.80
(d) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 12.29
(w) Worldwide Securities $ 38.48
(w) Worldwide Special $ 915.09
(m) Zweig Int'l Ltd $ S/S 9,654.00

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +++ - Amsterdam exchange; # - misquoted earlier; x - not registered with regulatory authority

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SPORTS/THE WORLD CUP

Robson Praises Germans, But Won't Bury England

Reuters

ASTI, Italy — England's coach, Bobby Robson, said Tuesday that his injury-plagued and battle-fatigued team would not be overawed by West Germany, the team he rates as the strongest in the world.

Robson, who lavished praise on the skills, strength, speed and organization of the West German team, said he expected the semifinal on Wednesday in Turin's Nuovo Stadio Comunale to be a very hard game — a test of mental strength and determination.

"For me, they have been the most impressive team," Robson said. "Functionally, they have impressed me more than Italy, who have a marvellous defense, but always play on the break.

"West Germany are very strong in all departments and have the ability to take the game to their opponents, to attack and to go for them."

Robson said playmaker Lothar Matthäus was "as good as anyone in the world" and the striker tandem of Rudi Völler and Jürgen Klinsmann was very fast and dangerous. Robson said Klinsmann "is very powerful, fast and solid. He will take a lot of stopping."

West Germany has changed little in the last two years but England had, Robson said, suggesting his own tactical changes may be an advantage. "We have played several systems and several different types of opponents."

Speaking at England's new training base at the hotel Hasta, on the outskirts of Asti, Robson stressed that his players would not be intimidated by the West Germans' reputation.

West Germany is making its third successive appearance in a semifinal. England will be playing in the last four for the first since winning the World Cup against the West Germans in London in 1966.

"We have magnificent spirit in our team and we don't give up," Robson said. "It will be a very tough game for us — and for them."

England advanced to the semifinals by overcoming Belgium, 1-0, on a goal with less than a minute remaining in overtime, then by defeating Cameroon, 3-2, also in overtime.

"We beat Cameroon in extra time because the players had the will to keep going and it was much the same against Belgium," Robson said. "We have great mental strength and we don't like to lose."

He said his injured players had shown improvement since moving from the heat and humidity of southern Italy to the cooler climate in the north. But he said little to indicate which players he would select for Wednesday's match.

Robson said a gash above the left eye of sweeper Mark Wright had improved. Wright received the injury against Cameroon.

"The cut is not in a position where it interferes with his heading of the ball," said the team doctor, John Crane. "The problem is other people's elbows and heads."

Robson confirmed that a hamstring injury would keep reserve midfielder Steve Hodge out of the match, and said that he was virtually certain winger John Barnes would not play because of his strained groin muscle.

Robson said the leg injuries to defender Des Walker had improved, but he refused to comment on Walker's chances of playing.

Thomas Kienzle/The Associated Press

England's attackers, Gary Lineker, right, and Steve Bull, got their heads together.

Klinsmann Sees Speed As Weapon

The Associated Press

ERBA, Italy — Jürgen Klinsmann, West Germany's key striker, said that he expects his speed to be an important factor when his team meets England in a semifinal match on Wednesday in Turin.

"I am not saying that the English defense is slow. But pressing and speed can be our winning strengths," said Klinsmann, who has scored three goals in the tournament.

The center-forward will team with Rudi Völler, a striker who was suspended from the 1-0 victory over Czechoslovakia in Sunday's quarterfinal, in the only foreseen change to the West German team after practice on Tuesday.

"I am glad that Rudi is back alongside me. He's very important to me and to the team," Klinsmann said.

He would not discuss his inability to mesh on attack with Karlheinz Riedle, Völler's replacement in Sunday's match, which West Germany won 1-0 on a penalty kick by Lothar Matthäus in the first half.

Klinsmann said the match against England would be "an open game between teams with different styles. English players can run for 120 minutes. This is their real strength."

But Klinsmann's teammate, defender Andreas Brehme, was more skeptical about England's chances.

"They have been playing the same way for 20 years. They lack imagination," Brehme said. "Certainly they are dangerous on headers, on any ball in the air, but I think it's better to face England than Cameroon," which England beat in a quarterfinal on Sunday.

Brehme said yellow cards received by Klinsmann, Matthäus and Thomas Berthold in previous matches may affect their performance against England. Two yellow cards mean automatic suspension for one match.

"Everybody wants to play the final and certainly they won't want to risk a second booking," Brehme said.

Michel Lipchitz/The Associated Press

Lothar Matthäus and Jürgen Klinsmann, rear, will provide an attack for West Germany.

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Argentina's Goycochea Stymies Italy in Shoot-Out

Santiago Lyon/Reuters

Italy's Savatore Schillaci, above left, and teammate Walter Zenga celebrated after Schillaci had given Italy the lead after just 18 minutes of the semifinal match. But Argentina's Diego Maradona, who scored his team's final goal in the South Americans' victorious shoot-out, had the last laugh.

Luciano Mellace/Reuters

Karl-Heinz Kreifelts/The Associated Press

Reuters

NAPLES — Argentina sent Italy tumbling out of the World Cup Tuesday night after a penalty shoot-out in their semifinal match.

Goalkeeper Sergio Goycochea was once more the hero for the defending world champions, stopping two penalty kicks, from Roberto Donadoni and Aldo Serena, for a 4-3 victory in the shoot-out after the match had ended, 1-1.

Goycochea had stopped the last two penalty shots in a quarterfinal shoot-out against Yugoslavia in Florence on Saturday to put his team into the last four.

Goycochea — who came on after the team's No. 1 goalkeeper, Nery Pumpido, had broken his leg against the Soviet Union — dived to his left to stop both Donadoni and Serena.

In between, Diego Maradona scored for the first time in the tournament, to send Argentina into the final in Rome's Stadio Olimpico on Sunday against either West Germany or England.

Those two teams play Wednesday in Turin in the other semifinal.

Goycochea, minimizing his own role, said after the match: "We played against a great team and the luck was on our side with the penalties."

But the cost was high for Argentina in an explosive match. Midfielder Ricardo Giusti was sent off in overtime with a red card and he and three teammates — Claudio Caniggia, Julio Olarticoechea and Jorge Burruchaga — all booked for the second time in the competition, will be not be able to play in the final.

Salvatore Schillaci had scored his fifth goal of the tournament to put Italy ahead after 18 minutes, but Caniggia made it 1-1 in the 68th with the first goal scored against Italy in the tournament.

Italy had several chances to win the match in overtime after Giusti had been sent off for fouling Roberto Baggio, who went down clutching his head.

The French referee, Michel Vautrot did not see the foul, which occurred away from the action, and the referee spent several moments consulting with Danish linesman Peter Mikkelsen before pulling out the red card.

Argentine players surrounded Mikkelsen to argue, and the team's coach, Carlos Bilardo, had to run to the sideline to push his players back into the match.

Baggio, in a superb one-two with Schillaci, had a good shot cleared by the Argentine defense. Then a chance set up by defender Franco Baresi, with a fine run down the left side, was wasted when Schillaci was caught offside.

Maradona set up a good scoring opportunity for Argentina. He beat four defenders to give Olarticoechea a shot at goal but the defender sent the ball wide to the right.

With an Italian defender, Ciro Ferri, badly hampered by cramp in his right leg and needing treatment on the sideline, Italy was unable to cash in on its one-man advantage and the semifinal went into the shoot-out.

The match opened with some heavy tackling by Argentina as Gianluca Vialli, Paolo Maldini and Fernando De Napoli were all felled in the first four minutes.

Italy opened the scoring after some beautiful team work. Midfielder Giuseppe Giannini headed to Vialli whose right-footed shot was parried by Goycochea.

Schillaci, ever the opportunist, was perfectly placed to pick up the rebound and shoot to the right of the goalkeeper for his fifth goal in six games. He tied Czechoslovakia's Tomas Skuhravy as the leading scorer in the tournament.

Italy pushed forward again. Donadoni passed to Luigi de Agostini whose left-footed shot went wide of Goycochea's goal in the 26th minute.

Italy set up several more chances before halftime. But a cross by Vialli in front of the goal was too long for Schillaci to reach and De Agostini put the ball over the bar from a back pass by Giannini.

The Italians opened the second half in attacking mood and Ruggeri had to head away a dangerous early cross from Maldini in front of goal.

As the clock ticked past the 52d minute, Walter Zenga claimed the World Cup record for consecutive minutes of shoutout play. He passed the previous best of 501 minutes, set by England's Peter Shilton between the latter part of the 1982 finals and the early matches of the 1986 tournament.

Caniggia scored the equalizer in the 68th minute when his backward header got past Zenga, who had come off his line but missed the ball.

Maradona, given little chance to excel under the close marking of Giuseppe Bergomi and Riccardo Ferri, set up the goal by chipping the ball across to Olarticoechea, whose crossing pass found Caniggia's head.

It was the first goal Italy had conceded in nine months.

The Italian coach, Azeglio Vicini, responded by making two substitutions in the next seven minutes. Serena replaced Vialli and attacking midfielder Baggio replaced Giannini.

Italy, trying to avoid going into extra time in the sticky heat, pressed forward again. Donadoni, after a fine run, passed to De Agostini who had time to stop and carefully angle his shot. Goycochea stopped it, to send the match into overtime.

■ Premier Saddened

Premier Giulio Andreotti of Italy was among the shocked spectators who witnessed Argentina's stunning defeat of Italy on Tuesday night, The Associated Press reported from Naples.

"There is sadness but a third or fourth place at the World Cup cannot be dismissed," Andreotti said after the match.

"I can't say if we could have done better. From the tribune, everything seems easy. But I have a feeling the players did their best."

Lineups

Italy: Walter Zenga; Franco Baresi, Giuseppe Bergomi, Luigi De Agostini, Riccardo Ferri, Paolo Maldini; Fernando de Napoli, Giuseppe Giannini (Roberto Baggio, 74th), Roberto Donadoni; Salvatore Schillaci, Gianluca Vialli (Aldo Serena, 70th). **Penalties:** Baresi, Baggio, De Agostini, Donadoni, Serena.

Argentina: Sergio Goycoechea; Juan Simón, Oscar Ruggeri, José Serrizuela, Julio Olarticoechea; Ricardo Giusti, Gabriel Calderón (Pedro Troglio, 46th), Jorge Burruchaga, José Basualdo (Sergio Batista, 100th); Claudio Caniggia, Diego Maradona. **Penalties:** Serrizuela, Burruchaga, Olarticoechea, Maradona.

Referee: Michel Vautrot, France.

Linesmen: Peter Mikkelsen, Denmark; Michal Listkiewicz, Poland

Attendance: 59,978.

Santiago Lyon/Reuters

Claudio Caniggia lept into the arms of José Basualdo after scoring tying goal for Argentina.

WORLD CUP WRAP-UP

Glasgow Celtics May Get UEFA Berth

BERN (AP) — The Glasgow Celtics will get the vacant UEFA Cup slot in next season's European soccer competition if English clubs remain banned, UEFA said Tuesday.

UEFA's executive committee wants to decide next Tuesday on the readmission of English clubs, based on a report on the behavior of English fans at the World Cup being prepared by the British government.

2 German Teams in '92 Tournament

ERBA, Italy (AP) — The two Germanys, which are moving toward unity, will have separate teams in the qualifying round for the 1992 European soccer championships, officials said Tuesday.

West German officials said draws for the European competition, including a West German and an East German team, already have been made and that UEFA is unlikely to change the draw. Ironically, both West and East Germany have been drawn to play in the same qualifying group, along with Belgium, Wales and Luxembourg.

NBC: Won't Bid for '94 Finals in U.S.

WIMBLEDON, England (AP) — NBC has said that it will not bid for U.S. television rights for the 1994 World Cup finals, the first world soccer championship to be played in the United States.

Dick Ebersol, president of NBC Sports, also predicted Monday at the Wimbledon tennis tournament that ABC and CBS would decline to bid for rights to the month-long soccer tournament.

Turner Broadcasting's TNT cable network is showing this year's finals in the United States, and fewer than 2 percent of U.S. viewers who receive the network watched the three games involving the United States.

Irish Match Distracts Lottery Winner

DUBLIN (Reuters) — Tommy Kehoe, 40, a truck driver, was so wrapped up in watching Ireland's match against Italy on Saturday that he forgot to check his national lottery ticket. Kehoe remembered the ticket when it fell out of his pocket on Monday, and a belated check showed he had won one million Irish pounds ($1.5 million).

Charity Match Benefits Famine Relief

ROME (Reuters) — A charity soccer match featuring a host of famous names from previous World Cups raised between 100 million and 150 million lire ($80,000 to $120,000) for United Nations famine relief, a UN spokeswoman said Tuesday. The European veterans were 10-7 victors in a light-hearted encounter Monday with a team from the Americas. The players received no appearance money, the spokeswoman said.

Poor Diet Slows West Germans

ERBA, Italy (AP) — West German players played poorly in the quarterfinal victory over Czechoslovakia because of a dietary problem — They ate too much meat and too little pasta before the match, causing a carbohydrate deficiency and an energy decline in the second half, the team physician, Franz Liesen, told Gazzetta dello Sport.

The Italian players are eating food high in carbohydrates to keep up their energy, said their team doctor, Leonardo Vecchiet. The players' diets consist mostly of carbohydrates: bread, pasta, fruit, sugary deserts and freshly squeezed juice. Meat is out, Vecchiet said, and "they drink very little wine — and none before a match."

Lagging Business Sparks Early Sales

FLORENCE (AP) — Disappointed Florence shopowners who had expected a bountiful June because of the World Cup have started their summer sales a month early in an effort to sell the merchandise on overstocked shelves.

Clothing stores have signs in the windows offering discounts of up to 50 percent. The Florence merchants association said sales last month were 30 to 40 percent lower than normal and that shops had been hurt by the "World Cup failure."

For the Record

Refik Sabanadzovic of Yugoslavia and Lubomir Moravcik of Czechoslovakia have been fined 20,000 Swiss francs ($14,285) and suspended for one game after being expelled during quarterfinal matches, FIFA said Tuesday. Frantisek Straka of Czechoslovakia and Thomas Nkono and Roger Milla of Cameroon were fined 10,000 Swiss francs and suspended for their next international game for receiving a second yellow card. *(AP)*

England will wear its traditional white jerseys and West Germany its green jerseys when they meet Wednesday in Turin, FIFA said. *(AP)*

U.K. Minister Says He Fears Provocations

Compiled by Our Staff From Dispatches

TURIN — Britain's sports minister said on Tuesday that he feared England fans, in Turin for the semifinal match against West Germany, could be provoked into violence by hooligans among rival supporters.

"I think there is a real possibility of provocation from German hooligan elements and from Italian *teppisti* who may use this occasion to provoke to a far greater extent than they have done before," said the minister, Colin Moynihan. Teppisti is Italian for hooligan.

"The potential for violence is greater than that at previous matches," he said after touring the 80,000-seat Nuovo Stadio Comunale in Turin on Tuesday and holding talks with senior Italian police officials on security arrangements.

As many as 8,000 riot police are expected to guard against hooligan violence in Turin and at the stadium on Wednesday.

The operation reflects fear of clashes between English and West German hooligans, responsible for the worst violence of the tournament, and of revenge attacks on English fans by local youths because of the tragedy at Heysel Stadium in Brussels five years ago and the so-called "Battle of Turin" 10 years ago when English fans wrecked dozens of bars in the city after their team's 1-1 draw with Belgium.

At Heysel Stadium, 31 supporters of Italy's Juventus were among the 39 who died when rioting Liverpool fans caused a stampede at the Champions' Cup final in 1985. The victims were killed when a wall collapsed.

Vittorio Chiusano, the president of the Juventus team, called for a reconciliation between English and Italian supporters over the deaths of Juventus fans in Heysel.

"I hope that hotheads on all sides will realize we are dealing with a soccer match and not an armed war," he said.

But some Italians who remember Heysel, and how English fans smashed bars in Turin 10 years ago, say they are ready to meet trouble with trouble.

"We welcome the English fans if they are peaceful. But we are not afraid of them," said Alessandro Mauro, who owns a bar.

Although Turin authorities expect 40,000 German and 18,000 English fans to arrive for the game, Moynihan's estimates were lower.

"I don't expect seeing more than 10,000 English, but with Germany only four to six hours drive away, there could be about 30,000 Germans," he said.

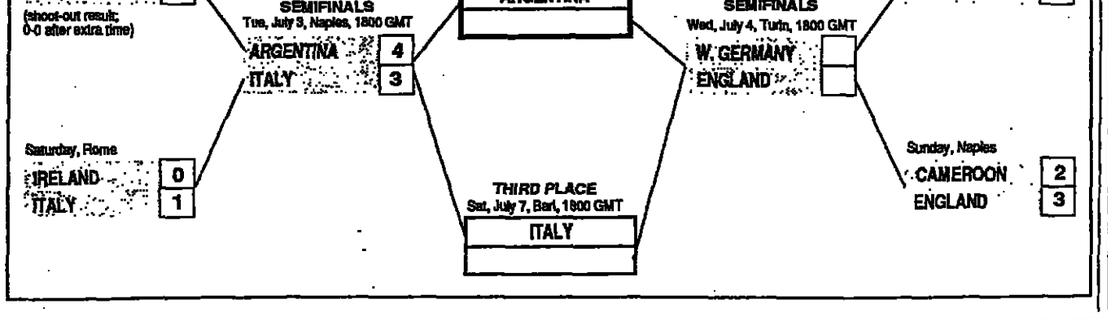
The West German consulate in Turin said it expected 20,000 to 30,000 West German fans to watch the game. *(Reuters, AP)*

■ Son of Boxer Charged

Police said Tuesday that Federico Cane, 19, son of Dante Cane, a Italian heavyweight boxing champion in the 1970s, and Marco Gironi, 23, have been charged in connection with the death of an English soccer fan in Bologna, The Associated Press reported.

David Monaghan, 26, of Coventry, died of head injuries June 25 after being hit by a passing car while fleeing the two Italians, said a Bologna police spokesman, Salvatore Surace.

The two Italians were freed pending trial on charges of aggravated assault and possession of an illegal weapon.



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SPORTS

White Sox Recover in 9th After Blowing 3-Run Lead

The Associated Press

Don't use the word "destiny" when discussing Chicago White Sox fortunes with the team's manager, Jeff Torborg.

"I don't buy destiny," Torborg said after the White Sox blew a three-run lead in the eighth inning and came back on Carlton Fisk's tie-breaking single in the ninth to defeat the Detroit Tigers, 5-4, Monday night in Chicago.

On Sunday, the White Sox beat the New York Yankees, 4-0, despite not getting a hit off Andy Hawkins.

It would seem that destiny has had something to do with Chicago's success this season.

But Torborg thinks otherwise. "We're where we are through hard work and we get the timely hitting when the pitching needs it," he said.

The White Sox have won 10 of their last 11 games and have the best record in the major leagues at 47-26. They remain in first place in the American League West, 4 percentage points ahead of the Oakland Athletics.

Chicago led, 4-1, when Barry Jones gave up four straight singles to Alan Trammell, Cecil Fielder, Larry Sheets and Dave Bergman. With two runs in and runners on first and third, Ken Patterson took over and struck out the next two batters. Bobby Thigpen then gave up the tying run on a wild pitch before striking out Mike Heath to end the top of the eighth.

Robin Ventura led off the bottom of the ninth with a single and took second as Ivan Calderon grounded to third. Craig Grebeck ran for Ventura and Ron Kittle was walked intentionally before Fisk got his game-winning single to left.

Athletics 3, Blue Jays 2: In Toronto, Rickey Henderson hit a two-run homer in the second and Mike Moore held the Blue Jays to four hits in seven innings. Dennis Eckersley got the final six outs for his 25th save.

Angels 2, Indians 1: The Angels scored the winning run in Cleveland on a two-base error by left fielder Candy Maldonado with two out in the ninth. With pinch runner Max Venable on third, Wally Joyner hit a bloop to left-center. Center fielder Mitch Webster had the ball in his glove but dropped it when he collided with Maldonado.

Red Sox 3, Rangers 2: In Boston, Kevin Romine hit his first homer of the season in the bottom of the ninth and Mike Boddicker outlasted Nolan Ryan for his 10th straight victory. With seven strikeouts, Ryan became the only pitcher in baseball history with 100 or more strikeouts for 22 seasons, breaking a tie with Don Sutton.

Boddicker gave up 10 hits and struck out nine. He hasn't lost in 13 starts since April 25.

Royals 11, Yankees 5: The Yankees, who lost a no-hitter on four unearned runs Sunday, committed three errors and issued three bases-loaded walks in a six-run second inning in Kansas City.

George Brett had four hits and Gerald Perry homered for the Royals.

Braves 6, Expos 3: In a National League game in Montreal, Jim Presley hit two of Atlanta's four home runs: a bases-empty shot in the third for a 4-0 lead and a two-run drive in the fifth to make it 6-0.

Montreal pitcher Howard Farmer, in his major league debut, got a rude welcome when Oddibe McDowell led off the game with a double and Jeff Treadway followed with a homer on Farmer's fourth pitch.

Phillies 5, Astros 1: In Philadelphia, Jim Vatcher hit a two-run homer in the eighth, his first in the majors, after Darrel pitched out of a one-out, bases-loaded jam in the seventh. Akerfelds and starter Bruce Ruffin held San Diego to five hits.

Giants 3, Cardinals 2: Don Robinson scored a run for the Giants in San Francisco and shut out St. Louis for eight innings, but had his shutout bid ended when Pedro Guerrero homered with one out in the ninth.

Greg Litton hit a two-run single in the third for the Giants and Robby Thompson's squeeze bunt single made it 3-0 in the sixth.

Dodgers 3, Cubs 1: Tim Belcher pitched a five-hitter in Los Angeles, holding Chicago hitless until Luis Salazar singled in the fifth. The Cubs spoiled his shutout bid in the eighth when Ryne Sandberg hit a bases-loaded sacrifice fly.

Kal Daniels and Hubie Brooks hit RBI singles in the first and Rick Dempsey hit an RBI grounder in the third for the Dodgers.

Pirates 4, Padres 3: In San Diego, Jay Bell singled home Jose Lind from second base with one out in the 14th inning as Pittsburgh overcame a 3-0 deficit. Lind doubled in the 14th and scored on Bell's single to center as the Padres lost their sixth straight.

John Mottern/Reuters

Nolan Ryan, talking with catcher Geno Petralli, struck out seven in Boston to become the only pitcher with 100 or more strikeouts for 22 seasons. But he lost the game, 3-2.

VANTAGE POINT/Tony Kornheiser

No Hits, No Rhyme, No Reason

Washington Post Service

WASHINGTON — By my watch it's been about 25 minutes since the last no-hitter. All the pitchers must be at the big Fourth of July furniture sale.

The other night somebody offered me tickets to a Baltimore Orioles' game. So I asked my 7-year-old, who's always after me to play catch, if she wanted to go. "What," she said, "and see another no-hitter?"

Six no-hitters already. No runs. No hits. New era. I fear our pastoral game is in trouble. I see its elegiac symmetry drifting out of proportion. I feel its cerebral appeal slipping. I hear its timeless American rhythms becoming dissonant. I agonize for George F. Will.

Mark Langston/Mike Witt. A combined no-no. On opening day no less, a telltale sign of portending doom. Macbeth's witches couldn't have called it any clearer.

Randy Johnson. At 6 feet, 10 inches (2.08 meters), the tallest man ever to pitch a no-hitter. At 6-10, what's he doing in baseball anyway? Another one the National Basketball Association let get away.

Nolan Ryan. Of course. He hadn't thrown one in the '90s, he was due. At 43, the oldest man to pitch a no-hitter. Luis Tiant heard and immediately asked his grandson to grab a catcher's mitt and help him warm up.

Dave Stewart. Fernando Valenzuela. On the same night! The first time that's ever happened. Stewart threw his in Toronto: First no-hitter in a half-indoor, half-outdoor stadium — schizophrenics throughout baseball rejoiced. No surprise, Stewart's won 20 games three years in a row. But Valenzuela? He's overweight, can hardly see home plate, and his arm's been falling off for the last two seasons; the first no-hitter by an out-patient.

Andy Hawkins. Here's a guy who three weeks ago was told he could either report to Class AAA or be released from the New York Yankees, the worst team in baseball. It doesn't get any lower than that ... I'm sorry, yes it does. Hawkins pitches a no-hitter and loses. Not close either, 4-0.

Said Hawkins: "I'm stunned." He's stunned? What about Yankee fans? They realize how badly George Steinbrenner has messed up this team: Your pitcher throws a no-hitter, and you need a grand slam in the ninth to tie.

THE EXPLOSION of no-hitters is so sudden. Two weeks ago baseball was buzzing about the number of home runs being hit. Cecil Fielder was the hottest Japanese import since the ginzu knife.

From 1985 through 1989 there were four no-hitters. The last season there were six no-nos was 1969 — the first time man walked on the moon, need I say more? But it was the same year the pitcher's mound was lowered 10 inches after Denny McLain won 31 and Bob Gibson had a 1.12 earned-run average in 1968.

So where do they go now? Do they make the pitchers pitch from below ground level? ("Tim, he really dug a hole for himself this time.")

Have we returned to the dead ball era? Theories abound.

Some say it's Dilution of Talent. This is an old theory advanced by people who've forgotten that the last expansion took place in 1977.

Some say it's Because of the Lockout. This is a new theory advanced by the same people who two short weeks ago were insisting the ballooning numbers of homers were Because of the Lockout. It's July. Give up the Lockout already.

Some say it's World Cup Envy. With worldwide fan interest high despite only occasional goals in soccer, no-hitters may be baseball's bid to attract foreign fans. The next double no-hitter, think Group F.

Some say it's because of Global Warming. I think this is the new wave Full Moon theory, which might make sense if any of these no-hitters were thrown in Phoenix. But Toronto, Oakland, Chicago, Los Angeles (twice) and Seattle (indoors) are not yet like pitching in Riyadh.

THE LESSON is that we've invested too much in the no-hitter. It's a routine deal now, another rest stop on the turnpike of life, unworthy of so much cerebral effort even in such a cerebral game. Why don't we shift our attention to the undervalued six-hitter? That's where real skill shows — figuring out when and where to give up the six hits.

You can hear them in the booth, after a pitcher has given up five, saying, "Oh, the pressure's on now. We don't want to jinx him, but everyone in this ball park knows he has a six-hitter within his grasp!"

How many pitchers threw consecutive six-hitters? Who's the tallest man to do it, the oldest, the least articulate? Sports fan and talk show host extraordinaire Larry King suggests a great new stat: Which player broke up the most six-hitters?

2 'Big Guys' Awake, Get the Mets' Win-Machine Cranked Up

By Joseph Durso
New York Times Service

NEW YORK — "My big guys," Davey Johnson used to call them. "And when they start to hit," he used to say, "we'll start to win."

He was right. He wasn't there to see it, but when his "big guys" started to hit, about a week after Davey Johnson was dismissed as manager of the New York Mets, sure enough, they started to win.

They won 21 of their next 25 games, 11 in a row, and climbed seven games in the standings from fourth place to the threshold of first in the National League's East Division.

Now, as they round out the first half of a strange season, the Mets believe they will still be the hottest team in baseball by the time they ring down the curtain for the All-Star Game.

"We've got bigger and better things ahead of us," said Kevin McReynolds, one of the "big guys" Johnson had in mind.

In fact, Darryl Strawberry and McReynolds were exactly the big guys he had in mind, his No. 4 and No. 5 hitters, the seat of power in the batting order.

For two months, like the rest of the Mets, they slumbered. Then Johnson was fired and they were the angriest of partisans, both threatening to leave when their contracts ended. But suddenly they arose like sleeping giants and led the Mets into their shattering month of June.

Strawberry, the emotional and vocal star of the cast, got 28 hits during an 18-game streak. He hit nine home runs and drove in 24 runs.

McReynolds, the strong, silent one, hit six homers, drove in 16 runs and from left field threw out his seventh base-runner of the season.

He also played in his 1,000th game in the major leagues, and for all 1,000 of them he has been impassive, cool, almost aloof.

He doesn't say much, and he frightens away most reporters. But in good times and bad, for the last four years, he has been the "club pro."

He can hit deep, draw walks, steal bases, break up double plays and field with precision. He is also the best golfer, tennis player and athlete on the team.

There are a hundred theories on the recent success of the Mets, but McReynolds doesn't buy them. And before he went golfing on a rare day off Monday, he shot down several of them.

"The change in managers had absolutely nothing to do with it," he said. "And the short spring training had nothing to do with our slow start. I felt great coming off spring training. I always thought it was 10 days too long, anyway. If I could explain our comeback, I'd be the biggest brain in the world.

"We just weren't producing. We treaded water. The whole team had the blahs. If you'd asked me if we were capable of performing the way we did in June, I'd have said we could, but wouldn't," McReynolds said.

But they did, and McReynolds offers one reason: The batting order was revamped by Buddy Harrelson, who replaced Johnson. It gave the "big guys" the chance to play their roles.

"One thing I give Buddy credit for," he said, "is changing the lineup. Davey liked to concentrate the power in the middle: Howard Johnson third, Strawberry fourth, me fifth. But that was putting all your eggs in one basket. It was as though you were waiting for everything to happen at once.

"Buddy made HoJo the leadoff man more often, and it changed our offense. HoJo can hit, walk and hit home runs, and he can run. If he hits a home run, the pitcher's down, 1-0, at the start. If he walks, he's setting the stage for the big inning. Either way, Straw and I began coming to bat more with men on base. We finally were getting the chance to do our thing, to drive in runs."

BOOKS

AS THOUSANDS CHEER: The Life of Irving Berlin

By Laurence Bergreen. 658 pages. $24.95. Viking Inc., 40 West 23d Street, New York, N. Y. 10010.

Reviewed by Jonathan Yardley

LAURENCE Bergreen seems to be making a career of writing sober, responsible biographies that nonetheless arouse indignation among the keepers of his subjects' flames. His previous book, a life of James Agee, provoked a loud if unpersuasive outcry among persons claiming a keener knowledge of the intimate particulars of Agee's life; now, even before the publication of his biography of Irving Berlin, the songwriter's heirs have complained that his portrait is inaccurate and have begun to look for an official biographer who presumably will paint the official portrait.

But it is difficult, on the evidence of "As Thousands Cheer," to see what the grumbling is all about. To be sure the Irving Berlin who emerges in these pages is an imperfect creature, especially in his irascible old age; but the flaws of artistic men and women are usually as pronounced as their gifts, and to say that Berlin was no exception is hardly to dismiss him as an evil or contemptible person. Quite to the contrary, Bergreen's depiction is deeply sympathetic; he interprets Berlin as a paradigmatically American figure, "an ideal candidate for musical man of the people" who not merely won election to that honorary office but held it for nearly three-quarters of a century.

His legend is as American as, well, "God Bless America" and "White Christmas": "the impoverished boyhood, the apprenticeship as a singing waiter, and the peculiar fact that ragtime's best-known exponent could neither read nor write music." He rose from the Russian-Jewish ghetto of the Lower East Side — his name was Israel Baline — to earn millions upon millions.

On Broadway he was magic; even late in life, long after his powers had deserted him, his name on the marquee ensured a huge advance sale for an inferior musical called "Mr. President." In time he became an ardent patriot, grateful beyond measure for the riches his adopted country had heaped upon him, and repaid his debt not merely with stirring (if simplistic) songs about America but by giving it years of service during World War II.

He was a complicated fellow. "The real Berlin — Izzy Baline — remained aloof, shy and insecure about his place in the real musical landscape."

His career was so long — his first song was published in 1907, his last in 1966, and he died in 1989 at the age of 101 — and he wrote so many hit songs that we tend now to look back on his life as one long succession of triumphs. But the truth is that, quite apart from his penchant for unwarranted self-doubt, he had numerous ups and downs.

Extended life may be a blessing, but surely it is a mixed one. Living beyond one's time, beyond the duration of one's powers, can be a curse; certainly it seems to have been Irving Berlin's.

Bergreen gives this sad finale its due, but he does not dwell on it morbidly. He knows that the real story is in the years of work and fame, and he tells that story well. Now as in his Agee biography he is something less than a masterful prose stylist, but he gets the job done — well enough, in fact, that the next Berlin biographer, whether official or not, will face daunting competition. Bergreen has got down what seems to be the whole story, and he tells it fairly and compassionately. As one of Berlin's contemporaries put it: Who could ask for anything more?

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	THE BURDEN OF PROOF, by Scott Turow	1	3
2	MESSAGE FROM NAM, by Danielle Steel	2	2
3	OH, THE PLACES YOU'LL GO! by Doctor Seuss	3	19
4	THE STAND, by Stephen King	4	8
5	DRAGON, by Clive Cussler	6	8
6	THE BOURNE ULTIMATUM, by Robert Ludlum	7	16
7	SEPTEMBER, by Rosamunde Pilcher	5	11
8	THE OUTLAWS OF MESQUITE, by Louis L'Amour	10	5
9	AN INCONVENIENT WOMAN, by Dominick Dunne	8	8
10	THE GOLDEN ORANGE, by Joseph Wambaugh	9	7
11	CLEAR AND PRESENT DANGER, by Tom Clancy	1144	
12	SULLIVAN'S STING, by Lawrence Sanders	13	2
13	SECOND CHILD, by John Saul		1
14	THE GOLD COAST, by Nelson DeMille	15	10
15	SKINNY LEGS AND ALL, by Tom Robbins	14	11

NONFICTION

1	MEN AT WORK, by George F. Will	1	12
2	DAVE BARRY TURNS 40, by Dave Barry	2	5
3	DON'T SHOOT, IT'S ONLY ME, by Bob Hope with Melville Shavelson	3	4
4	FATHER SON & CO., by Thomas J. Watson Jr. and Peter Petre	5	4
5	BARBARIANS AT THE GATE, by Bryan Burrough and John Helyar	7	23
6	MEGATRENDS 2000, John Naisbitt and Patricia Aburdene	4	23
7	IN THE ARENA, by Richard Nixon	14	10
8	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	6	41
9	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	8	86
10	LIAR'S POKER, by Michael Lewis	11	34
11	PERIL AND PROMISE, by John Chancellor	9	2
12	MEANS OF ASCENT, by Robert A. Caro	13	14
13	LEGACIES, by Bette Bao Lord	12	9
14	HEAD FIRST, by Norman Cousins	10	21
15	PARTING WITH ILLUSIONS, by Vladimir Pozner		12

ADVICE, HOW-TO AND MISCELLANEOUS

1	WEALTH WITHOUT RISK, by Charles J. Givens	2	72
2	THE GREAT WALDO SEARCH, by Martin Handford	3	29
3	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY (Merriam-Webster)	1	182
4	WEBSTER'S NEW WORLD DICTIONARY (Simon & Schuster)	4	26
5	BEWARE THE NAKED MAN WHO OFFERS YOU HIS SHIRT, by Harvey Mackay	5	19

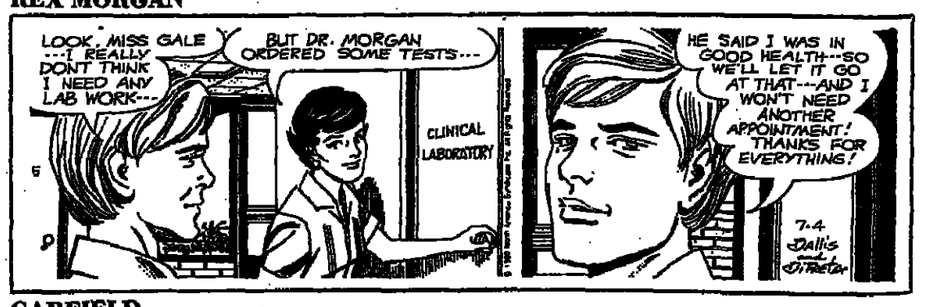
PEANUTS

BEETLE BAILEY

ANDY CAPP

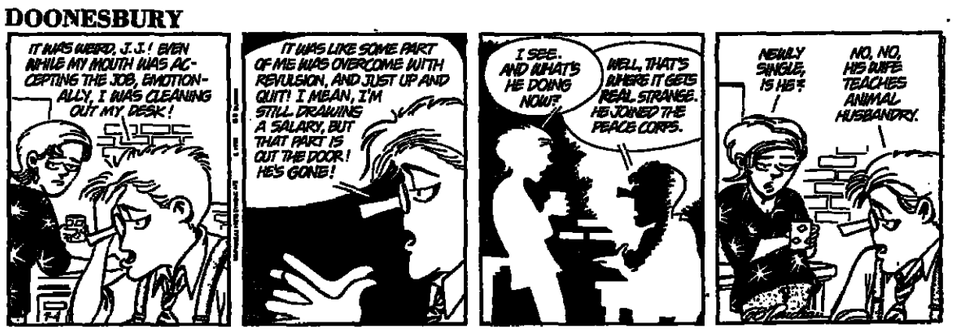
WIZARD of ID

REX MORGAN



GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RINDE

COASH

NORSEP

SYTTUR

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: ____ "____" IT

(Answers tomorrow)

Yesterday's Jumbles: SAVOR MOSSY LIMPID GOBLET
Answer: If you're doing a job of gardening, you should know that this is good for soil—SOAP

BLONDIE

SPORTS

Dave Caulkin/The Associated Press — Reuters

Seles, left, found defeat was hard to swallow after having her winning streak ended at 36 matches on the 3-6, 6-3, 9-7 upset by Garrison, above, in the quarterfinals at Wimbledon.

Garrison Ends Seles's Streak at 36

Lendl Loses Set, Advances

Compiled by Our Staff From Dispatches

WIMBLEDON, England — Monica Seles's assault on the top spot in women's tennis was stopped in its tracks Tuesday by Zina Garrison, with Seles one step shy of a dream match in the Wimbledon semifinals with Steffi Graf.

Garrison, the fifth seed, saved one match point and ended the 16-

WIMBLEDON

year-old Seles' winning streak at 36 matches with a 3-6, 6-3, 9-7 victory.

It secured Garrison's fourth berth in a Grand Slam semifinal and her second at Wimbledon, the American having first done so in 1985. And it wiped out the chance of another big match-up between Seles and Graf, who had lost to the Yugoslav teenager the last two times they met, in the finals of the German and French opens.

"This match was so close, it was difficult to be out there for three hours and just to lose it on a few points," Seles said. "She had more luck out there today."

Graf advanced to the semifinals of her 15th consecutive Grand Slam tournament, surviving an early scare to beat Jana Novotna of Czechoslovakia, 7-5, 6-2.

"I was hoping to play against her badly," Graf said of Seles.

Martina Navratilova, seeking a record ninth Wimbledon singles title, became the century-old tournament's winningest player with a 6-1, 6-1 victory over Katerina Maleeva. It was Navratilova's 97th singles victory, one more than Chris Evert compiled in 18 Wimbledons.

"If you play long enough and play well enough, you break some records," Navratilova said.

The men's quarterfinal field was completed, with the top seed and a surprising American advancing.

Ivan Lendl, the world's top player, came back from an early lapse to beat Alex Antonitsch of Austria, 3-6, 6-4, 6-3, 6-4. He next will meet unseeded Brad Pearce, who beat Mark Woodforde of Australia, 6-4, 6-4, 6-4.

Seles had a match point on Garrison's serve, at 30-40 in the 14th game of the final set, just after the American slipped and hurt her right thigh while chasing a backhand into her forehand corner. She got up slowly and in some pain but waved off an umpire's offer of an injury time out.

"I didn't want to give her momentum," Garrison said.

Garrison saved that match point with a forehand drive, then won 10 of the next 11 points, breaking Seles at 15 on a netted forehand for an 8-7 lead and closing the match at love on a backhand into the net, a backhand dropshot, a service winner and a backhand long off a big Garrison forehand.

"I was pretty surprised," Seles said of the final shot. "I kind of don't remember it. I don't remember exactly where it went."

Garrison let out a yell and pumped her fist in triumph. She beat Seles by attacking, and used drop shots beautifully throughout her comeback in the 2-hour, 22-minute match that attracted a capacity crowd of 6,000 and, for a few minutes, Navratilova, who was waiting to go on once Graf was finished next door on Centre Court.

Graf took 1:13 to eliminate Novotna, the 13th seed, starting her match an hour after Seles-Garrison and having to wait to find out who she met next.

She was broken in the opening game of the match, but tied it at 3 when a Novotna volley behind her serve flew too long. Games went with serve until Graf reached 6-5, and she took the set on her third set point when Novotna volleyed out again.

In the second set, Graf hit a backhand return down the line to break for 2-0, and she broke again in the sixth game when the Czech volleyed into the net. Novotna broke back for 5-2, but a Graf forehand past the Czech brought victory on her third match point in the next game.

Lendl looked for a time as though he, too, might have to dust off his loser's speech, particularly when he made a dismal start against the effervescent Antonitsch.

The Austrian, renowned for his sense of fun on court, gleefully took the first set while imitating Lendl's foot-tapping mannerisms and dropping balls unintentionally out of his pocket when serving.

But, gradually, Lendl's serve took over as the Austrian, troubled by a shoulder injury, found the match taking a less amusing turn.

The second set went with serve until 5-4, when Antonitsch, ranked 48th in the world, served two consecutive double faults to present Lendl with the set.

Antonitsch turned away and put two fingers to his temple as if he wanted to shoot himself. Lendl, never one to waste an opportunity, duly supplied the finishing touch in the remaining two sets to wrap up victory in just over 2½ hours.

"It was a tough one. He played very well," said Lendl.

His next opponent, Pearce, may not be a pushover, either. He has dropped only one set so far and dispatched Woodforde with ominous ease in a contest between two unseeded players.

"Brad's a good player," said Lendl. "His serve's not as big as someone like [Boris] Becker but every shot is solid." *(AP, Reuters)*

Jonathon Bainbridge/Reuters

Top-ranked Ivan Lendl was stretched in defeating Alex Antonitsch of Austria, 3-6, 6-4, 6-3, 6-4.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	45	31	.592	—
Toronto	42	37	.532	4½
Cleveland	37	38	.493	7½
Detroit	37	42	.468	9½
Baltimore	34	42	.447	11
Milwaukee	33	41	.446	11
New York	28	46	.378	14
West Division				
Chicago	47	26	.644	—
Oakland	46	27	.640	—
Seattle	40	38	.513	9½
California	39	39	.500	10½
Minnesota	36	40	.474	12½
Texas	35	43	.449	14½
Kansas City	32	43	.427	16

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	45	30	.600	—
New York	42	36	.583	1½
Montreal	43	35	.551	3½
Philadelphia	37	37	.500	7½
Chicago	34	45	.430	13
St. Louis	32	45	.416	14
West Division				
Cincinnati	46	27	.630	—
San Francisco	39	38	.506	9
Los Angeles	37	39	.487	10½
San Diego	35	39	.473	11½
Atlanta	31	43	.419	15½
Houston	32	45	.416	16

Monday's Line Scores

AMERICAN LEAGUE

Texas 000 011 000—2 10 0
Boston 001 000 101—3 5 0
Ryan, Rogers (9) and Petrelli; Boddicker and Pena. W—Boddicker, 11-3. L—Rogers, 2-4. HR—Boston, Romine (1).

Oakland 120 000 000—3 11 0
Toronto 020 000 000—2 5 0
Moore, Eckersley (8), and Steinbach; Key, Ward (7) and Myers, Borders (8). W—Moore, 6-7. L—Key, 4-4. Sv—Eckersley (25). HRs—Oakland, R. Henderson (14).

California 100 000 001—2 6 0
Cleveland 010 000 000—1 4 2
Fiskey, Harvey (9) and Parrish; Black, Orosco (8), Seanez (9) and Skinner, Alomar (9). W—Finley, 11-4. L—Orosco, 3-4. Sv—Harvey (11).

Detroit 100 000 030—4 12 0
Chicago 300 100 20?—? 9 0
Tanana, McCullers (4), Henneman (8) and Salas, Heath (9); Petersen, Pall (6), Radinsky (7), Jones (8), Patterson (8), Thigpen (8) and Fisk. W—Thigpen, 4-2. L—Henneman, 4-5.

New York 000 201 011—5 12 2
Kansas City 200 010 10x—11 10 0
Jones, Plunk (2), Robinson (2), Cadaret (6), Mills (8) and Nokes; Appier, McGaffigan (7), Montgomery (9) and Macfarlane. W—Appier, 3-3. L—Jones, 1-2. HRs—New York, Nokes (8). Kansas City, Perry (6).

NATIONAL LEAGUE

Atlanta 211 020 000—6 10 0
Montreal 000 000 120—3 5 0
Smoltz, Boever (8) and Olson; Farmer, Mahorcic (5), Frey (6), Sampen (7) and Santovenia. W—Smoltz, 6-4. L—Farmer, 8-3. Sv—Boever (7). HRs—Atlanta, Treadway (8), Thomas (3), Presley 2 (10).

Houston 000 100 000—1 5 2
Philadelphia 300 001 02x—5 5 0
Deshaies, Agosto (7) and Biggio; Ruffin, Akerfelds (7) and Lota. W—Ruffin, 6-7. L—Deshaies, 4-6. Sv—Akerfelds (1). HR—Philadelphia, Vatcher (1).

St. Louis 000 000 002—2 7 1
San Francisco 002 001 00x—3 4 0
Magrane, Niedenfuer (8) and Zeile; Robinson, Brantley (9) and Carter. W—Robinson, 4-1. L—Magrane, 4-7. Sv—Brantley (11). HR—St. Louis, Guerrero (9).

Chicago 000 000 010—1 5 0
Los Angeles 201 000 00x—3 10 0
Pico, Nunez (6), Assenmacher (8) and Girardi; Belcher and Dempsey. W—Belcher, 6-6. L—Pico, 4-1.

Pittsburgh 000 003 000 000 01—4 10 0
San Diego 300 000 000 000 00—3 10 1
Terrell, Kipper (6), Belinda (8), Ruskin (10), Patterson (12) and LaValliere; Hurst, Harris (8), Rodriguez (11), Grant (11), Schiraldi (12) and Parent, Ra. Reynolds (12). W—Patterson, 5-3. L—Schiraldi, 2-1. HRs—Pittsburgh, Van Slyke (8). San Diego, Stephenson (4).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	48	26	0	.606	—
Taiyo	33	28	2	.540	4½
Hiroshima	31	31	1	.500	7
Chunichi	31	33	1	.485	8
Yakult	28	35	0	.444	10½
Hanshin	27	37	0	.422	12

Pacific League

	W	L	T	Pct.	GB
Seibu	40	19	1	.675	—
Orix	35	23	2	.600	4½
Nippon Ham	32	28	0	.533	8½
Kintetsu	27	32	1	.458	13
Lotte	23	30	1	.434	14
Daiei	15	40	3	.285	23

Tuesday's Result
Lotte 5, Nippon Ham 3

CYCLING

Tour de France

Results Tuesday from the fourth stage, a 203-kilometer (126-mile) leg from Nantes to Mont St. Michel:

1. Johan Museeuw, Lotto, Belgium, 5 hours, 23 minutes, 33 seconds; 2. Guido Bontempi, Carrera, Italy, same time; 3. Olaf Ludwig, Panasonic, East Germany; 4. Davis Phinney, 7-Eleven, U.S.; 5. Adriano Baffi, Ariostea, Italy; 6. Johan Capiot, TVM, Belgium; 7. Sean Kelly, PDM, Ireland; 8. Jean-Paul Van Poppel, Panasonic, Netherlands; 10. Etienne de Wilde, Histor, Belgium.

Overall Standings

1. Steve Bauer, 7-Eleven, Canada, 15 hours, 33 minutes, 24 seconds; 2. Frans Maassen, Buckler, Netherlands, 12 seconds behind; 3. Ronan Pensec, Z, France, 30; 4. Claudio Chiappucci, Carrera, Italy, 1:01; 5. Moreno Argentin, Ariostea, Italy, 8:27; 6. Raul Alcala, PDM, Mexico, 9:58; 7. Stephen Rooks, Panasonic, Netherlands, 10:05; 8. Sean Kelly, PDM, Ireland, 10:05; 9. Eric Van Lacker, Panasonic, Belgium, 10:14; 10. Allan Peiper, Australia, Panasonic, 10:14; 11. Martin Schallers, TVM, Netherlands.

TENNIS

Wimbledon

Men's Singles
Fourth Round

Brad Pearce, U.S., def. Mark Woodforde, Australia, 6-4, 6-4, 6-4; Ivan Lendl (1), Czechoslovakia, def. Alex Antonitsch, Austria, 3-6, 6-4, 6-3, 6-4.

Women's Singles
Quarterfinals

Steffi Graf (1), West Germany, def. Jana Novotna (13), Czechoslovakia, 7-5, 6-2; Zina Garrison (5), U.S., def. Monica Seles (3), Yugoslavia, 3-6, 6-3, 9-7;

Martina Navratilova (2), U.S., def. Katerina Maleeva (7), Bulgaria, 6-1, 6-1; Gabriela Sabatini (4), Argentina, def. Natasha Zvereva (11), U.S.S.R., 6-2, 2-6, 6-4.

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Signed Mike Mussina, pitcher, and assigned him to Hagerstown, Eastern League. Waived Greg Walker, first baseman.

CALIFORNIA—Activated Bill Schroeder, catcher, from 60-day emergency disabled list. Optioned John Orton, catcher, to Edmonton, Pacific Coast League.

National League

ATLANTA—Put Pete Smith, pitcher, on 15-day disabled list, retroactive to June 25. Recalled Rusty Richards, pitcher, from Richmond, International League.

LOS ANGELES—Called up Terry Wells, pitcher, from Albuquerque, Pacific Coast League.

PHILADELPHIA—Signed Louis Meadows, outfielder, and assigned him to Scranton-Wilkes-Barre, International League.

BASKETBALL
National Basketball League

HOUSTON—Signed Sleepy Floyd, guard, to four-year contract.

SIDELINES

Bauer Maintains Lead After 4th Tour Stage

MONT ST. MICHEL, France (AP) — Steve Bauer of Canada held his lead in the Tour de France on Tuesday, finishing in the pack through another flat stage of the race. Johan Museeuw of Belgium won the final sprint to complete the 126-mile (203-kilometer) fourth leg in 5 hours, 23 minutes, 33 seconds. *(See Scoreboard)*

Bauer increased his margin slightly, to 12 seconds, over Frans Maassen of the Netherlands with some bonus seconds in an intermediate sprint. He remained more than 10 minutes ahead of two-time champion Greg LeMond, who also finished in the top group.

Soviet Kayaking Champion Will Be Training U.S. Team

MOSCOW (UPI) — Soviet kayak champion Vladimir Parfenovich, who quit the sport in 1984 because of the Soviet boycott of the Los Angeles Olympics, will train the American team for the next three years, Tass reported Tuesday.

Parfenovich has won three Olympic medals and nine world titles but quit the sport at the height of his career.

Sanders May Ditch Baseball

KANSAS CITY, Missouri (NYT) — After struggling with the New York Yankees, Deion Sanders reported to the team's minor league affiliate in Columbus, Ohio, on Monday amid talk he may bolt baseball in August to report to the Atlanta Falcons' football training camp.

"Deion hasn't decided that yet," said Barry Axelrod, who handles Sanders's baseball affairs. "He has a very firm and solid commitment to the Yankees until the end of July. If he leaves at that time, it's nothing more than what I expect to happen. It shouldn't shock the Yankees."

For the Record

Pete Rose's sentencing on felony tax charges was set for July 19 by a U.S. District judge in Cincinnati. Rose faces up to six years in jail and a maximum $500,000 fine after admitting he filed false income tax returns. *(AP)*

Ivan Lendl, Boris Becker and Stefan Edberg, the top three players in the world, will play in this year's Australian Indoor tennis championships, Oct. 1-7, which increased its purse to $1.03 million, organizers said Tuesday. *(AP)*

The Boston Celtics filed a lawsuit charging that the Italian basketball team Il Messaggero wrongfully interfered in guard Brian Shaw's contract with the NBA club. *(UPI)*

Dominique Bouet, a French rugby union player, choked to death on stomach fluids that blocked his windpipe, the autopsy has revealed. *(AP)*

Quotable

● Steffi Graf on beating 14-year-old Jennifer Capriati at Wimbledon: "To be just 21 and have to play so much younger girls. It's strange, because I don't feel old. It's just weird." *(WP)*

Venus Rising: Latest Prodigy Is Just 10

New York Times Service

LOS ANGELES — At a time when new tennis prodigies seem to be surfacing every week, the latest hot prospect is a 10-year-old Californian, Venus Williams.

Last weekend, she won her 17th singles title in less than a year, in the age-10-or-under Southern California junior sectional championships. The tournament, the most prestigious on the California age-group circuit, attracted a record 1,900 entries, with some youngsters forced to play five qualifying matches to reach the main draw.

California and Florida are traditional spawning grounds for U.S. junior champions.

The success of Jennifer Capriati, Michael Chang and Andre Agassi has heightened the interest in promising youngsters like Williams, who lost only nine games in her five matches and has yet to be beaten since she began open competition in August 1989.

Williams, who turned 10 on June 17, is ranked No. 1 in the girls' 10-and-under in Southern California, and will move to the 14-and-under division later this month.

She has some of the sport's most respected names talking in superlatives since recently beating the legendary Dorothy Cheney.

"In the first place, she played like she was 16 years old," said Cheney, who will turn 74 in September and has won 198 national titles. "But, oh boy, her game had everything. She was fast, she had a spin serve, she ran to the net, she had forcing ground strokes, her anticipation was good, and her concentration was excellent. Boy, did she wax me!"

The success of the 5-foot, 3-inch (1.60-meter) Williams is not surprising to her father, Richard, a former basketball player who said she was also unbeaten in age-group track meets.

"The most games Venus has lost in a set is two or three," he said recently.

Asked why he had encouraged his five children to pursue tennis, he replied: "I was so flabbergasted at the amount of money paid out to professional players that Mrs. Williams and I thought the best thing we could do for our children is to give them the ability to play tennis."

Williams began teaching his children the sport after subscribing to tennis magazines and buying instructional videotapes.

In an effort to raise money to assist his children in the sport, Williams, who sometimes refers to Venus simply as V, and his wife, Oracene, distributed a booklet to potential sponsors outlining long-range goals. With Venus's success, the booklet has quickly become obsolete.

"A lot of sponsors are standing in line now," he said.

"Wilson, Prince, Reebok. They all want to do more for V. Better clothing, more rackets. They call us more. They stop by to see us. Most everyone thinks V will be No. 1 by 1995 or '96."

Jack Kramer, who watched Williams last month, said: "She has all the basic physical requirements to play that special kind of tennis. She's very quick, she has a good sense of tactics, and she has a natural service motion. For being 14, she's pretty good."

Kramer was reminded that Williams just turned 10. "Oh my gosh," the former great said.

Moscow Bears Venture to U.S., Find Glasnost a Misnomer

The Associated Press

TACOMA, Washington — It began looking bad for the first Soviet football team to play in the United States when the players heard the Turkish national anthem being played in their honor.

For there, it went downhill.

The year-old Tacoma Express, a semi-professional team, whipped the Soviet national champion Moscow Bears, 61-0, Monday night in an exhibition game before 1,303 spectators in the Tacoma Dome.

The game was billed by promoters as "Glasnost on the Gridiron."

The Bears' coach, John Ralston, once the head coach of the National Football League's Denver Broncos, didn't talk game strategy or give his players a fiery pre-game pep talk. He was busy explaining how to suit up in full pads.

"Don't forget, you need your thigh pads, your knee pads and your elbow pads," he said through an interpreter. "You don't want to land on that AstroTurf without your elbow pads."

For the past eight weeks, Ralston has been trying to mold a group of Soviet rugby players, shot-putters, javelin throwers and decathletes into a professional football team. He knows, after Monday night, that he still has a ways to go.

"I'm disappointed in our fundamentals," he said. "I don't think we do the fundamentals very well."

Neither did the organizers. When it came time for national anthems, the Soviets appeared stunned when they heard the selection played for them.

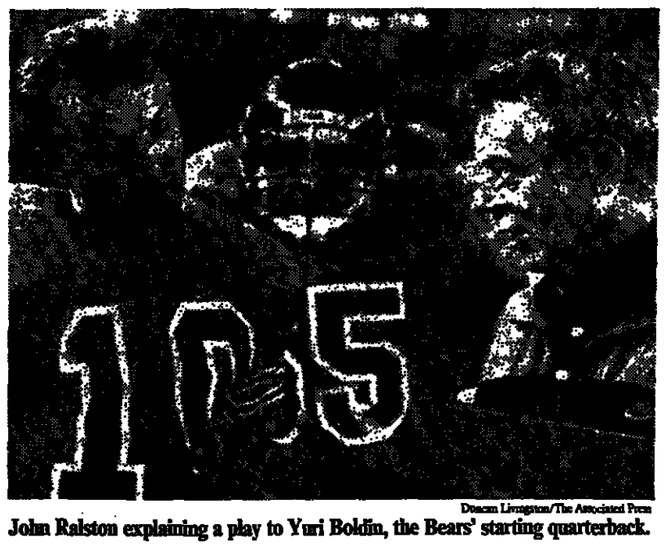
Express officials discovered their mistake while the U.S. anthem was being sung. Fans and players then stood a third time to listen to the Soviet anthem.

That wasn't the only glitch. Fans found their programs carried no numbers for the Soviet players. The announcer searched in vain for starting lineups while waiting for a Soviet interpreter who never got to the booth. She stayed on the field to relay Ralston's play calls and other assignments.

"I had a dream three weeks ago that I was calling a football game and that I didn't know the players or what was going on," said Tim Harrington, a play-by-play announcer for KKMO, a Tacoma radio station. "The dream came true. What a nightmare!"

The visitors at least got a bit of fan support. With the Soviets trailing the Express by 48-0 after three quarters, the fans began to chant "Go, Bears."

But size and experience were decidedly against them.



Duncan Livingston/The Associated Press

John Ralston explaining a play to Yuri Boldin, the Bears' starting quarterback.

The starting quarterback first handled a football seven months ago — and he's the veteran. Ralston's biggest player tips the scales at 250 pounds (113 kilograms).

"We have one linebacker, tough little guy, but I don't think he weighs 175 pounds," Ralston said.

Ralston had said he mainly wanted to ensure that his players finished the game intact — especially his starting tight end, since both backups had been detained by officials in the Soviet Union the night before departure.

The team is playing four exhibition games in the United States. Besides Tacoma, the Bears are to play in Fresno, California; Oklahoma City and Macon, Georgia, with a possible match in Charlotte, North Carolina.

American football is catching on fast in the Soviet Union, with 24 teams and more athletes from other sports interested in playing, said Kent Dunston, vice president of International Sports Connection, a sports promotion company based in Gadsen, Alabama, that is putting on the tour.

The team's president, Mikhail Zakharyan, predicted that it would take five or six years for Soviet teams to be competitive with the American minor leagues. And the National Football League?

"Maybe our children will be able to play NFL teams," he said through an interpreter.

But thanks to American corporate sponsors, who have donated 100 pairs of shoes and enough helmets and pads for the whole team, the Bears will return to Moscow as well dressed as most minor league American teams.

Zakharyan thought the Bears would improve enough by next season to beat some of the hundreds of teams in Europe.

The Moscow team lost a recent game to a French team by a score of 67-0, Ralston said. They lost by more than 80 points to a West Berlin team.

Ralston, who coached Denver from 1972 to 1976, said earlier it may be competition, or a lack of it, that will ultimately keep his players from excelling.

Promoter Dunston, however, said practices and games are increasingly attracting husky young men who hear about the sport, decide they like it and try out for teams.

Dunston said the tour was designed to expose the Soviet players to a higher level of competition than they would see in their home country or Europe.

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OBSERVER

The Numb Generation

By Russell Baker

NEW YORK — They say young people don't read newspapers anymore. There are scientific studies to prove it. Magnificently calibrated polls. Incredibly accurate laboratory simulations. Everything absolutely sure, statistic-wise. Young people numb.

Numb generation. Twenties, we had lost generation. Thirties, hungry generation. Forties, war generation. *Fifties, silent generation.* Sixties, rebellious generation. Seventies, greedy generation. Eighties, generation of swine.

All leading up to.

The numb generation.

Scientifically demonstrated. Astounding lab simulations. Today's youth: numb.

Why? Science fears today's youth suffer from herky-jerky *brain. Effect of watching stroboscopic* film pictures with bang-bang, clang-clang music.

Need new picture every half-second. Need new bang-bang, clang-clang. Need amp . . .

Bang-bang, clang-clang —
. . . lification.
Bang-bang —
More ampli . . .
Clang-clang —
. . . fication.

Bear with me, golden-oldie people. (Golden years and senior citizenship, what a crock, eh, creakers?) Bear with me, middle-agers and thirtysomething people.

I am trying to create in print something that might just possibly be read by somebody suffering from herky-jerky brain, in order to demonstrate why anyone so afflicted might give up ever reading anything.

Herky-jerky brain makes them vulnerable to the 10-second sound bite, which leaves them defenseless against demagogues. Unable to entertain two sequential thoughts, they are powerless to conclude that a politician saying "Read my lips" must be trying to distract their attention from whatever he has on his mind.

□

Skimming the newspapers, I am saddened to think of all they are missing. Here, for instance, is news that Canada is breaking up. Imagine: a whole country coming apart, and it hasn't even had decades of Marxist governance to destroy it.

Here's an old Stalinist talking in Moscow. She yearns for the past, believe it or not, when communism knew how to make Russians toe the line.

It's amazing what old-timers can pine for when sighing fondly over the good old days. Equally amazing is the absolute uselessness of money in the United States as a way of measuring worth. Here are two stories demonstrating that money is essentially comic:

Donald Trump's bankers are forcing him to cut his living expenses to $450,000 per month, while Jose Canseco's employer has agreed to pay him some $450,000 per month for toiling in the baseball industry this year.

If you suffer from herky-jerky mind, but not so acutely that you can't read these two stories, you might say, "Trump is going to live just as well as Canseco, and he doesn't even have to spend all summer doing extremely difficult and nerve-wracking toil."

□

You would be wrong, lacking the brain organization to get you to the next thought; namely, that Canseco has to pay taxes on his $5.5 million whereas Trump will have the whole pile to spend.

The lesson here seems to be that America values bankrupt real estate speculators more than high-living baseball players. If your brain isn't going bang-bang, clang-clang, however, it might go one step further and marvel that the United States's bankers will lend the world's Trumps so much money that they have to keep financing them at $450,000 per month to save them from bankruptcy.

And there's so much more: Supreme Court recognizes right to die. Sure, but will New York City find a way to tax it? A dying-license fee, perhaps.

Today's youth, ye of the numb generation, heed my words. Quit being numb, or you shall pay in pain when the next generation arrives. The next generation always reacts against the previous generation.

Be warned: If your numbness intensifies your dumbness, your destiny is a middle age of bearing contemptuous sneers at your imbecility. Fight herky-jerky brain before it is too late.

But I shout down a rain barrel, don't I? Bang-bang, clang-clang.

New York Times Service

In an English Garden, Paths to the Past

By Suzy Menkes
International Herald Tribune

LONDON — Sir Roy Strong has come out of the fusty world of museums and into the sunlight. Since he quit London's Victoria and Albert Museum in 1987, where he was a colorful and controversial director for 14 years, he has become a best-selling garden writer.

"I have very good antennae," he said, "and I suppose I anticipated the green decade.

"There is a long British tradition of influential garden writers who come from outside the subject — Vita Sackville-West or Gertrude Jekyll — and I am in that literary tradition. I am not writing about how to make a plant container out of a Wellington boot."

Posing under a shady hat beside a piece of classic statuary, and not in rubber boots, Sir Roy seems just the English eccentric to create a new Sissinghurst. That is the glorious garden planted by Vita Sackville-West and her husband, Harold Nicolson, in the 1930s. Like them, Sir Roy has established a garden with his wife, the stage designer Julia Trevelyan Oman. In 1974, a time when English society was in flux after the collapse of Edward Heath's government, the Strongs took on "a three-acre field with a herd of cows" in Herefordshire, in the west of England. In 10 years, they created a large formal garden that Sir Roy describes as "a fortress of tranquillity."

"It was a pledge that things will go on," he says. "It was also a refuge — I would have gone down on the train from London to spend 10 minutes looking at the rose garden. I am a theater designer manqué, and most of the design is me.

"Julia has become a plant person, and just as in her stage sets, she has a wonderful eye for detail. She has created areas of plants that are just exquisite."

Sir Roy's passion is for the formal gardens of the past. His first garden book, inspired by an exhibition at the Victoria and Albert, was "The Renaissance Garden in England," published a decade ago. But his career as a gardening writer took off when he left the V&A, as the museum is known.

His mission, or at least his inclination, is to take gardening back in time, before the great landscape gardeners of the 18th century with their rolling acres and distant vistas swept away the formal parterres, knot gardens, fanciful topiary and Italianate terraces.

"Paving is just as valid a surface as grass," he insists. "It, too, responds to the play of light and to the change in seasons."

His current best-seller on both sides of the Atlantic is "Creating Small Gardens," published by Conran Octopus. It has been translated into four languages and has sold 100,000 copies.

Sir Roy's ideal garden has structure: a backbone of gravel paths, clipped hedges, statuary and ornamental ponds, fleshed out with plants. The formal plan is still visible in midwinter, when snow lies "like icing sugar" on a box-hedge parterre.

His lusciously illustrated books may show tentacles of creeper grasping a stone bench or waves of flowers undulating beside a straight brick path. But there are also precise illustrations, inspired by the garden books of the past with their "quarries of ideas."

"Gardens should be in sympathy with architecture, and the idea is to evoke a garden appropriate to the period of the house," he said, including instructions for creating Art Deco geometry, abstract squares like Mondrian paintings or even a maze.

New projects are already gestating. ("Is it awful to produce a book a year?" he inquires.) These include an anthology of garden literature, with his wife as designer, to be published by Collins in 1991; a history of garden painting, and a book of a television film he is making of the Royal Gardens at Sandringham House, Frogmore, the queen mother's Scottish castle of Mey, and at Highgrove, the home of the green-thumbed Prince Charles. Sir Roy has been encouraging England's future king to set up Italian statuary, build a rock garden and sculpt hedges with topiary.

Sir Roy's "A Small Garden Designer's Handbook" is a mix of the historical and the horticultural. All his gardening books are a hybrid of his interests. There is the historical dimension, as in his references to the Renaissance "heritage of formality" or to the "natural gardens" infused with the spirit of the French philosopher Rousseau.

Jerry Harpur
Sir Roy Strong, gardener, in his "fortress of tranquillity."

Or he looks at a garden and sees an Impressionist painting. (He was made director of the National Portrait Gallery in London in 1967 at the age of 31.)

"As if awaiting the brush of Renoir or Fantin-Latour," he writes of lupins and delphiniums rising in blue spears above sugar-pink sweet william and a carpet of scarlet pimpernel.

Or he describes a twisting, baroque parterre as "animated" by sunlight.

"Light, too," he writes, "will highlight the textural quality of the hedging plants, the furry softness of santolina or the tiny, shiny leaves of box."

Most of all, his books communicate the romantic enthusiasm of the amateur gardener, with a vision unclouded by chemical sprays or swarms of aphids. Here is his rose-tinted view of an Edwardian garden in all its "sunset glory," with "roses cascading in abundance over arches and pergolas or sprouting in profusion from geometric beds."

Strong's personality has always lived up to his name. His flamboyant collection of 1960s wide "kipper-ties" and bell-bottom pants finished up as a museum exhibit, and he still cuts a dandyish figure in flowered tie and silken embossed vest against a gray suit.

"I still love clothes, but I shall be 55 in August and I can't do it anymore," he says. "I look like an old bundle in the country."

Strong, knighted by Queen Elizabeth in 1982, has transparently enjoyed rubbing shoulders with the mighty and has been caricatured as an aesthete much concerned with his own image. His critics contend that his obsessions with popularizing the Victoria and Albert Museum and restoring its crumbling building meant that exhibits of real quality dried up by the end of his term.

He would argue — and he has spoken and written passionately on the subject — that the Thatcher government's insistence on private rather than state funding of the arts is "changing profoundly the nature of national institutions." He says that he gave the V&A a "kick up the pants into the 21st century," emphasizing artistic heritage, crafts, contemporary design and British jewelry. He had said "anything I'd got to say" by 1984.

"I had an incredible career, and anything else is a bonus," he said of the museum years. "The difficulty in my career is that I was too successful too young and that presented me in the long run with very real problems, because I didn't want to be the grand old man of anything. I didn't want to be the 'ghost of Christmas past' or 'that old dinosaur.'

"The important thing in life is to move on. All the people I most admire are the people who are looking towards tomorrow."

He resigned from 12 government advisory bodies when he "wiped the slate clean" at the V&A. He also gave up the "parties for 400 people and the dinners and speeches." He now spends one week in Herefordshire and one in London, and although he is an adviser to an urban-regeneration plan in London's Docklands, he is proud to be described as a "country person," by a fellow gardening writer.

She is Rosemary Verey, an aristocratic gardener in the grand tradition and a neighbor of Prince Charles in Gloucestershire.

Verey has described the Strongs' garden in Herefordshire as "the largest formal garden created from scratch since 1945."

The hedges in that garden are now taller than he is. They were planted in 1974, when he reached the crest of his museum career by being appointed director of the Victoria and Albert. Was the garden writing therefore part of a master plan, seeded in the past and now flowering as a late career?

"It's a new identity and I never foresaw any of it," he said. "I felt I wanted to learn again and be quite humble in learning, to expand my mind and to direct my enthusiasm where I thought I had talent."

PEOPLE

Lloyd Webber to End His Marriage to Singer

The composer **Andrew Lloyd Webber** has announced that he is ending his six-year marriage to the singer **Sarah Brightman**, 30, following weeks of speculation that their relationship was on the rocks. Lloyd Webber, 42, the composer of such hit musicals as "Phantom of the Opera" and "Cats," issued a brief statement confirming a "close" friendship with **Madeleine Gurdon**, 27, a businesswoman.

□

The Soviet pianist **Oleg Marshev**, 28, has taken top honors in the finals of the American Music Scholarship Association's World Piano Competition. For judges in Cincinnati, he performed the last two movements of Prokofiev's Concerto No. 3, placing ahead of a fellow Soviet, **Valeri Grokhovsky**, 30, and **Beatrice Long**, 27, of Taiwan, who tied for second. Marshev won a debut concert at New York's Lincoln Center.

□

The NBC newsman **John Chancellor**, 62, is recovering well from double heart-bypass surgery performed at the Columbia-Presbyterian Medical Center in New York. He is to be released this weekend.

□

Katharine Hepburn is auctioning off one of her paintings, a view of the Beverly Hills valley, to benefit the North American Wildlife Association. It is the only painting she has ever offered for public sale or view, said the actress, who has been painting since the 1930s. "I do hope it will bring a price," she added, "although I wouldn't give you a nickel for it."

□

Willie Nelson's not-quite-annual Fourth of July "picnic" is on again this year, and organizers are expecting 25,000 to 30,000 "guests" at Zilker Park in Austin, Texas. "The mellowness is there," said the singer **Steve Fromholz**. "Neither Willie nor I party as hard as we did 10 years ago, but I believe the music has gotten better for all of us."

□

The country star **Hank Williams Jr.**, 41, has married for the fourth time. About 50 family and friends attended the ceremony for him and the ex-model **Mary Jane Thomas**, who is said to be in her mid-20s, in Missoula, Montana.

Today's

BUSINESS MESSAGE CENTER

Appears on page 16

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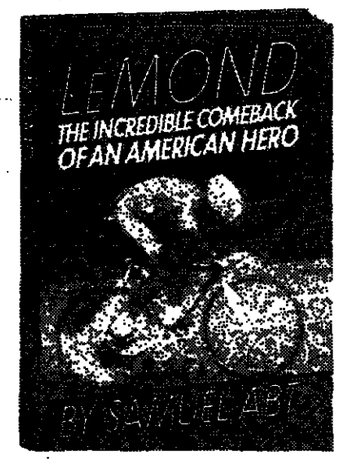

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